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SOCIALIST COUNTRIES RADIO, TV CONFERENCE OPENS

LD080046 Budapest MTI in English 1747 GMT 7 Jan 86

[Text] Budapest, January 7 (MTI) -- A three-day conference of organizational leaders of the radios and televisions of the socialist countries opened in Budapest Tuesday [7 January], to discuss joint tasks and the opportunities for further cooperation.

CEMA STANDARIZATION COMMISSION HELD IN BERLIN

AU291947 East Berlin NEUES DEUTSCHLAND in German 21-22 Dec 85 p 2

[Text] Berlin (ADN) -- On Friday [20 December] The CEMA Standardization Commission concluded its session in Berlin after four-day deliberations. Participating were delegations from all CEMA states and from the SFRY. The session was chaired by Helmut Lilie, president of the Office for Standardization, Measurements, and Product Testing.

Proceeding from the decisions of the CEMA economic summit conference, joint measures for assessment of the quality of mutual product deliveries on the basis of CEMA standards which agree with worldwide standards as well as the mutual recognition of pertinent certificates were deliberated on. A high quality level and the passing of market tests of the products are to be primarily ensured through these measures. Double tests in both the exporting and importing countries will be gradually eliminated.

At the same time, the commission initiated steps to effectively support the implementation of the Comprehensive Program for Scientific Technological Progress of the CEMA Countries Up to the Year 2000, adopted at the 41st (extraordinary) CEMA session.

The commission approved some 350 additional joint CEMA standards for key technologies, numerical controls, machine tools, industrial robots, power consumption norms, for process-measuring and control engineering, as well as for consumer goods such as slide projectors for the projection of color television pictures.

Additional measures were discussed to enhance the national economic effectiveness of the joint international standardization in CEMA.

TANKS SAID TO CIRCLE EMBASSY HOLDING REFUGEES

AU071403 Paris AFP in English 1353 GMT 7 Jan 86

[Text] Stockholm, Jan 7 (AFP) -- Tanks surrounded the Italian Embassy in Tirana after an Albanian family of six entered the building Christmas night and requested political asylum in Italy, a Stockholm-based religious group said today.

A communique by the Slavic Mission, which joins the various Christian churches in Sweden, said the family managed to duck security guards surrounding the embassy and walk inside. Albanian officials immediately sent several tanks to encircle the embassy building, the communique said, without elaborating.

The statement said the information was based on concurring reports from witnesses now in Britain and Holland.

ECONOMIC TALKS WITH GREECE BEGIN IN TIRANA

NC072220 Athens Domestic Service in Greek 1930 GMT 7 Jan 86

[Text] An annual meeting between governmental delegations from Greece and Albania on issues of economic cooperation began in Tirana today. The Greek delegation is lead by Ioannis Papandoniou, deputy minister for national economy, and the Albanian delegation is headed by Shane Korbeci, minister for foreign trade.

A postal service between Ioannina and Gjirokaster began operation today, employing cars from both the Greek and Albanian components. The operation of this service falls within the interstate agreements signed last year between the Greek and Albanian Governments. Albanian mail will be moved through the Ioannina post office to most European countries, as well as to the United States.

ZERI I POPULLIT CARRIES 'CARNIVORES' POEM

AU031402 Tirana ZERI I POPULLIT in Albanian 1 Jan 86 p 4

[Gjike Kurtiqi fable: "The Wolf and the Jackal"]

The wolf and the jackal
Announced one day
They would meet together
In a friendly way,
And reach a decision
Behind closed doors
To abandon their mission
As carnivores.
This they did,
With a great deal of sound,
And met together
On neutral ground.
And then they announced
After one or two days
That they had left off
Their bloody ways.
A listening shepherd
Of their meeting took stock,
"It seems to me,
They've shared out the flock."

REPORTAGE ON REACTION TO U.S. LIBYAN POLICY

No Harm From Sanctions

AU080952 Sofia Domestic Service in Bulgarian 0700 GMT 8 Jan 86

[Text] The crisis in the relations between the United States and Libya has developed new dimensions with the sanctions announced by President Reagan, which result in a complete interruption of all economic links between the two countries. Leaving aside the false motives for taking such a decision, it should be stressed that the sanctions will hardly damage the political prestige and the economic prosperity of Libya, since literally all the Western allies of Washington have refused to follow its example. Greece and Holland have stated that such sanctions are not necessary, and at the same time have declared themselves against any military actions whatsoever against Libya. From Athens, concern is expressed with the exacerbation of tension in the Mediterranean caused by the American military maneuvers in the region.

Austria has also declared that it will not change its policy toward Tripoli. It is significant that even Great Britain, one of the closest American allies, refuses to respond to Washington's appeal.

Pro-Libyan Declaration

AU072008 Sofia BTA in English 1850 GMT 7 Jan 86

["Stop the Anti-Libyan Campaign" -- BTA headline]

[Text] Sofia, January 7 (BTA) -- The Committee for Solidarity With the Peoples of Asia and Africa has adopted a declaration which voices the Bulgarian public's concern and indignation over the recent imperialist and Zionist aggressive provocations against Libya.

"These provocations are no mere coincidences but are rather a secret plan to destabilize Libya approved by the White House. This has been confirmed by materials featured in the U.S. mass media last November. Washington has long disapproved of Libya's independent antiimperialist policies, which are opposing the American hegemonist aspirations in the region and are promoting active and mutually beneficial ties with the socialist countries," reads the declaration.

Noting that the imperialist and Zionist circles have used the kidnapping of the Egyptian airplane and the tragic events at the Rome and Vienna airports to throw accusations against Libya, the declaration states: "Despite the lack of any proofs whatsoever of a Libyan involvement in these terrorist acts and despite the Libyan Government's categorical denial of any complicity, the slanderous campaign has not subsided. It has become known that the White House is considering economic and military sanctions against Libya, including eventual air strikes against that sovereign state. What is more the news agencies have announced that U.S. military ships and aircraft have approached the Libyan coast and Israel has threatened to strike against targets in Libya and in other Arab states.

This slanderous campaign against the Socialist People's Arab Jamahiriya and the provocative military preparation for a violation of its territorial wholeness and sovereignty are a new manifestation of the policy of state-sponsored terrorism pursued by the U.S. in a region which has for years been in a situation that has threatened world peace."

The Committee for Solidarity With the People of Asia and Africa, the entire Bulgarian public condemn the use of force and the threats to use force against Libya and demand the putting of an end to the anti-Libyan campaign and to the kindling of war hysteria in this part of the world.

Press Commentary

AU071238 Sofia BTA in English 1204 GMT 7 Jan 85

["On the Threat Against Libya" -- BTA headline]

[Text] Sofia, January 7 (BTA) -- The threat of a coordinated aggression against Libya is actual and serious. The concrete purpose of the military efforts of the United States and Israel should not be underestimated, a signed commentary in "NARODNA ARMIYA" reads. The daily points out that these may be misleading activities and that the imperialist and Zionist blow may be levelled and realized against a different target.

"NARODNA MLADEZH" reaches the conclusion that the pressure exerted by the United States on Libya is rather a manifestation of "Rambomania" (an expression which has become world known after the film "Rambo 2"). The daily explains that this is an expression of a brutal policy from the position of strength, of callous adventurism and of a complete disregard of the existing realities.

"OTECHESTVEN FRONT" expresses the opinion that such a regional policy is a direct expression of Washington's hegemonism and imperial ambitions and that Washington has developed a complex of intolerance against all manifestations of independence. The daily points out that it is these complexes that materialize in the cruel bloody forms of Washington's undeclared wars.

"KOOPERATIVNO SELO" stresses the fact that the aggression though directed against Libya, actually threatens all progressive forces in the region. This is a fact which has long gone beyond the boundaries of the anti-Libyan campaign, the daily concludes.

U.S., Israeli Threats

AU071412 Sofia RABOTNICHESKO DELO in Bulgarian 4 Jan 86 p 4

[Maksim Bozhilov article: "Scenario for Aggression"]

[Text] Once again open threats are launched against Libya from Tel Aviv and Washington. Once again the United States and Israel are planning a "retaliatory strike" against the Libyan people.

To guarantee the success of the planned operations, it is first necessary to create the appropriate prerequisites. This is the rule followed by the two "strategic allies" in their present preparations for a military attack against Libya. Under the pretext that this country has allegedly supported the "terrorist elements" -- the specific motive in this case being the attacks at the Rome and Vienna airports -- official U.S. representatives declared that Washington is "seriously discussing a series of diverse methods for a possible retaliation." Naturally no proofs can be discovered in support of the thesis, but people in Washington are trying to replace authentic proofs by constantly repeated and invented charges about Libya "being the chief base of criminals." Following the escalation of tension at the present moment, however, Tel Avia and Washington are preparing a military attack against the Libyan people.

According to the U.S. television network ABC, one method is for the United States to support an Israeli military operation similar to the bombing raid against the PLO headquarters on 1 October 1985. In addition, the aircraft carrier Coral Sea is ready to sail on provocative maneuvers in the Gulf of Sidra, in the immediate vicinity of the Libyan shores. During similar "maneuvers" held 4 years ago, American aircraft shot down two Libyan fighters patrolling over Libyan territorial waters.

This time, however, the scenario for aggression is marked by very significant additions. People in Washington are emphasizing the concept of joint action and cooperation with other states. As the Libyan People's Bureau for International Relations stresses in a declaration published as an official document at the UN General Assembly and Security Council, the noisy anti-Libyan campaign of the United States is an attempt to expand the sphere of conflicts and also to involve countries which have no differences of opinions or controversies with Libya.

As to Libya's own stand, this country has declared on several occasions that it unconditionally denounces all terrorist actions and attempts against the lives of innocent people. However, in facing the danger of unprovoked aggression, Libya will defend its own national sovereignty, supported by all friendly peoples and progressive forces.

FURTHER REPORT ON VISIT OF LIBYAN DELEGATION

AU072106 Sofia BTA in English 1846 GMT 7 Jan 86

[[Text] Sofia, January 7 (BTA) -- A delegation from the Socialist People's Libyan Arab Jamahiriya, headed by Mr. Ibrahim al-Faqi Hasan, secretary of the General People's Committee for Social Security, is visiting the country. The leader of the delegation was received by Mr. Grisha Filipov, chairman of the Council of Ministers of Bulgaria.

The delegation had a meeting with the management of the Ministry of Public Health. The guests were briefed on the organization of the Bulgarian health care system, on the state of the Bulgarian medical science, and especially on the achievements in the field of social security and hygiene of work. Members of the Libyan delegation had meetings with representatives of the Ministry of Mechanical Engineering and the Committee of Labor and Social Issues.

TURKEY SILENT ON ALLEGED ZHIVKOV-EVREN MEETING

TA071848 Ankara ANATOLIA in Turkish 1655 GMT 7 Jan 86

[Text] Ankara, 7 Jan (AA) -- The Foreign Ministry neither confirmed nor denied the existence of a proposal "to meet on the border" allegedly made by Bulgarian President Todor Zhivkov to President Kenan Evren through Romanian President Ceausescu's special envoy.

At his weekly news conference today, Foreign Ministry spokesman Yalim Eralp said "I have no information" about the report published in the daily HURRIYET today. Eralp said: "Mr Ceausescu sent a message to our president containing his views on ridding the Balkans of nuclear and chemical weapons. I have no information about the existence of a special additional message, as claimed by the newspaper."

Upon the insistence of the journalists, Yalim Eralp said: "I cannot say anything further."

An Istanbul daily reported today that Minister Aurel Duma, secretary of state in Romania's Foreign Ministry and Ceausescu's special envoy, who came to Turkey last week, brought President Evren a proposal for a meeting from Bulgarian President Zhivkov. According to the report, Zhivkov offered to meet Evren in a village on the Turkish-Bulgarian border to discuss the problems between the two countries.

President Evren received Aurel Duma last week and conferred with him for some time. It was announced after the meeting that Duma repeated Ceausescu's proposal to rid the Balkans of nuclear and chemical weapons.

STANISHEV RECEIVES CPCZ PARTY DELEGATION

AU062054 Sofia Domestic Service in Bulgarian 2030 GMT 6 Jan 86

[Text] On 6 January, Comrade Dimitur Stanishev received the visiting delegation of the CPCZ Central Committee led by Frantisek Chlad, deputy head of the CPCZ Central Committee International Policy Department. During the meeting, which took place in a cordial and friendly atmosphere, a positive evaluation was expressed for the development of relations of friendship and cooperation between the two fraternal parties. Opinions were exchanged on further expanding and strengthening cooperation and exchanging cooperation during the next two years.

LEADERS SALUTE KAYSONE PHOMVIHAN ON BIRTHDAY

AU291547 Sofia RABOTNICHESKO DELO in Bulgarian 13 Dec 85 pp 1, 8

[Text] Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, and Grisha Filipov, chairman of the Council of Ministers, have sent a telegram to Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and prime minister of the LPDR, most sincerely congratulating him on his 65th birthday.

The Bulgarian Communists and working people in our country know you as an outstanding leader of the Lao people in their struggle for national independence and socialism, as an ardent champion of friendship and cooperation with the Soviet Union and the other socialist community countries, as an active fighter for the transformation of Southeast Asia into an area of peace, stability, and cooperation, the telegram reads.

The telegram points out that Kaysone Phomvihan's personal contribution to the establishment and consolidation, as well as to the development of fraternal relations between our two parties and people is great.

The telegram wishes vigorous health, long life, and even greater new successes in his highly responsible work devoted to the well-being of the Lao people to Comrade Kaysone Phomvihan. It wishes him success in further developing and intensifying the Bulgarian-Lao friendship and cooperation, as well as in his contribution to the cause of peace and socialism in the world.

REAGAN 'EVASIVE' IN NEWS CONFERENCE ON LIBYA

LD080913 Prague Domestic Service in Czech 0830 GMT 8 Jan 86

[New York correspondent Vladimir Solecky report on President Reagan's 7 January news conference]

[Text] In the opening statement of his first news conference this year, President Reagan announced the expected economic sanctions against Libya as the U.S. Government's answer to the alleged participation in the attacks by the Palestinian splinter group against the Israeli airlines in Rome and in Vienna. The sanctions mean a complete ban on U.S. firm trading with Libya, a ban on U.S. citizens traveling to Libya, and an appeal to the remaining 1,500 American experts who are still in Libya, to return home immediately.

The majority of the questions asked by the journalists concerned the Libyan crisis. President Reagan provided evasive answers to their questions on the nature of the irrevocable evidence of the Libyan participation that he had mentioned. In his opinion, one could not talk about it for the time being, which, naturally, strips it of any truth value. He could also not say whether or not any of the West European allies will join U.S. sanctions. He also was evasive about other intrusive questions: for example, how his government intends to tackle the problem of elderly sick Americans who, as a result of the new economic measures, are being sent home from the hospital without being cured. Or whether, within the framework of the efforts to improve Soviet-U.S. relations, there will be any change in the attitude of his former colleagues in Hollywood, namely whether they will continue to produce overtly anti-Soviet films such as the recent Rambo or Rocky IV.

PEACE REQUIRES U.S. 'DEEDS, NOT WORDS'

AU071258 Prague RUDE PRAVO in Czech 4 Jan 86 p 7

[Milan Jelinek Moscow dispatch: "What the U.S. President Still Owes Us"]

[Text] The exchange of Mikhail Gorbachev's message to the American people and Ronald Reagan's message to the Soviet people was undoubtedly a significant event in many respects. It was also instructive, since it encourages one to reflect, to compare, to appraise.

The word which appeared most frequently in both proclamations [provolani] was "peace" -- on the surface it was a kind of connecting thread in them. After all, if the U.S. President uses so many skillful words to talk about peace, we are glad this is so; this was not and is not always the case. However, two approaches to mankind's needs have been revealed deep inside the messages, in their contents. And from the very beginning it must be frankly said that Ronald Reagan still owes a lot not only to the Soviet and his own people, but also to the entire world public.

True, Ronald Reagan spoke very nicely about peace; but it is equally true that the U.S. Government is arming for war, and the weight of this truth is incomparably greater than that of the first truth. The United States has not halted a single armament program; it is expanding its nuclear arsenal at an unprecedented rate and literally everyday it is adding to the explosive pile of mass destruction weapons.

The discrepancy which strikes the eye and which is perturbing every discerning person evokes concern and horror. The obvious difference between word and deed, which is extremely dangerous, can be used as a camouflage to cover up the gloomy reality -- but also to produce the illusion that, despite everything, events are proceeding in a beneficial direction. One must not succumb to this illusion, because mankind could come to irretrievable harm.

Without the adoption of practical measures to immediately halt the arms race, the peaceful future of all mankind remains a mere hope which is receding step by step, with every day a delay. Good will and expressions of willingness are insufficient if they do not turn into deeds. Herein lies the purpose of Soviet-American talks and negotiations. So far, the U.S. side has not begun to grasp this.

Because, in fact, Reagan has again affirmed that the United States does not intend to abandon its plans to militarize space. The U.S. President can call his "star wars" program whatever he likes; but actually it means the elevation of a new kind of weapon into outer space, and the construction of a defense shield over his own first-strike weapons. In other words, it means a new escalation of armament at a speed which nobody today can even imagine. The militarization of space would undermine disarmament possibilities. It has now become an issue of supreme importance, a focal point. This knot must be unwound, and it must be unwound immediately and first of all. An agreement banning the militarization of space is the inevitable prerequisite of the disarmament process. In the Soviet Union the President's stubbornness over this pivotal problem has caused considerable disappointment.

How can one explain that Reagan has failed to mention a single word about the Soviet proposal on banning nuclear explosions? In Geneva Comrade Gorbachev urgently spoke to the President about this issue, which can brook no delay. He answered by silence. The United States refuses to join the Soviet moratorium on nuclear explosions, a proposal which is accompanied by a perfect system of guarantees, by on-the-spot control, including international control. Why? It is not difficult to grasp that a ban on nuclear explosions in fact erects an insurpassable barrier against the perfection and amassing of nuclear weapons. But the United States needs nuclear explosions, because without them one cannot continue and develop the armament program itself. There is no other explanation. And here we again come to words about peace, and to deeds which contradict them, and even exclude them through the consequences they produce.

What we now need are deeds, not words. Washington has at its disposal the Soviet disarmament proposals, worked out in detail; the USSR is prepared to assess any other serious proposal, and this is the basis on which one must negotiate and reach a result. The most difficult and tenacious battles of the peace struggle are still before us.

VACLAVIK MEETS GDR ARMY POLITICAL CHIEF

LD072104 Prague Domestic Service in Czech and Slovak 1500 GMT 7 Jan 86

[Text] Colonel General Milan VACLAVIK, minister of national defense, today received Lieutenant General Horst Bruenner, chief of the Main Political Directorate of the National People's Army of the GDR. Working talks between the delegations of the Main Political Directorates of the Czechoslovak People's Army and the National People's Army of the GDR also took place on the same day, in the course of which the chiefs -- Lt Gen Jaroslav Klich and Lt Gen Horst Bruenner -- signed a plan for cooperation.

REAGAN ORDERS SEVERANCE OF TRADE WITH LIBYA

LD091241 East Berlin ADN International Service in German 0852 GMT 8 Jan 86

[Text] Washington, 8 Jan (ADN) -- On Tuesday night (Central European time) [7 January] U.S. President Reagan ordered the severing of all economic relations with Libya. He instructed all U.S. citizens living there to leave the country immediately. He said that those "who disregard this order are advised that they will be given appropriate punishment on returning to the United States." According to information from government circles this means that U.S. citizens who remain in Libya and conduct business there can be given a prison sentence of up to 10 years and a fine. The President said that he reserves the right to take further steps against Libya. According to AP, it was said in the White House that this includes the possibility of military action.

At a press conference Reagan announced with regard to his decisions that the order totally prohibits all direct imports and exports and other trade relations with Libya. U.S. citizens are forbidden to make trips to Libya. The U.S. West European allies are called upon to join the U.S. action.

KOENIG SEES ENVOY, CONFIRMS SUPPORT FOR LIBYA

LD071402 East Berlin ADN International Service in German 1221 GMT 7 Jan 86

[Text] Berlin, 7 Jan (ADN) -- Gerd Koenig, GDR deputy foreign minister, received 'Abd al-Salam e. Alregee [as received] acting secretary of the People's Committee of the People's Bureau of the Socialist People's Libyan Arab Jamahiriya in the GDR, for a friendly talk. The Libyan diplomat gave a briefing on behalf of the leadership of his country about the escalating situation in the Mediterranean, which was the result of imperialist pressure directed against Libya.

During the exchange of views, Gerd Koenig emphasized that everything had to be done in the interest of world peace to remove the current tensions in the Near East and the Mediterranean area. The GDR would continue, as it had done so far, to stand at the side of the Libyan people in solidarity in their struggle for the preservation of the sovereignty and independence of Libya against all imperialist attacks.

With satisfaction the GDR had noted the united position of the Arab League on the firm rejection of the threats against Libya.

KLOPFER, PRC REGIONAL PLANNING CHIEF CONFER

AU301448 East Berlin NEUES DEUTSCHLAND in German 18 Dec 85 p 6

[Text] Berlin (ADN) -- Opportunities for further deepening economic cooperation between the GDR and the PRC were the subject of friendly talks on Tuesday [17 December] between Heinz Klopfer, member of the GDR Council of Ministers, and state secretary of the State Planning Commission, and Eerdun, and (?Nan Changming), chairman of the regional planning commission and head of the study delegation from the PRC autonomous region Inner Mongolia.

The interlocutors stressed that the agreements between leading representatives of the two states and the long-term trade payments agreement signed in Beijing in July constitute important documents for the development of economic relations between the two countries. On this basis direct cooperation between the GDR and the Inner Mongolia autonomous region will be further developed, particularly in the basic material industry.

In the course of the exchange of views, conducted in an atmosphere of trust, Beina Klopfer briefed his guest about the tasks for the further preparation of the 11th SED Congress adopted at the 11th SED Central Committee session.

Cordially, the Chinese delegation leader expressed thanks for the fact that he and the other members of the study delegation were offered the chance to acquaint themselves with the socialist gains and the GDR's successful national economic management and planning.

ADN REPORTS GROWTH IN NATIONAL ECONOMY

LD080021 East Berlin ADN International Service in German 1604 GMT 7 Jan 86

[Text] Berlin, 7 Jan (ADN) -- In preparation for the 11th SED party congress in 1985, workers in all parts of the GDR national economy produced the highest performance so far in major creative work to strengthen socialism and to safeguard peace. The main task, unifying economic and social policy, was consistently pursued. The politically stable, economically dynamic development of the GDR continued to progress. The 1981-85 5-year plan was well implemented.

In 1985, produced national income rose by 4.8 percent compared with the previous year, according to provisional statistical figures. More than 90 percent of the growth of national income through increased labor productivity was achieved through intensification. The specific consumption of nationally economic important raw materials and materials was reduced by 3.5 percent. More than 5,000 new products, processes, and technologies were introduced into production.

In the fields of the industrial ministries, new production rose by 9.0 percent. The workers made good their promises with a plan lead of 4.5 days' output, after raising labor productivity by 8.4 percent. Prime costs per M1000 of goods produced were lower by 2.5 percent than in 1984. In industrial goods production, growth was 3.5 percent. The plan was overfulfilled by M3.9 billion. Growth was particularly high in the manufacture of microelectronic products, which provoked the increased use of key technologies. Thus the production of optoelectronic components increased by 29 percent and solid-state integrated circuits by 34 percent. In 1985, 13,800 new industrial robots were put into use in the national economy. The degree of renewal of industrial production rose to 25 percent.

In 1985 investments worth M62 billion were carried out in the national economy. A large part of the accumulation capability served the development and use of key technologies.

The material and cultural standard of living of the people was safeguarded and further improved. In 1985 the greatest performance so far in housing construction was carried out with the new construction and the modernization of 212,222 dwellings. This improved living conditions for 637,000 citizens. In the capital, Berlin, 33,397 dwellings were completed. Building repairs carried out by the kreis-managed building industry on houses rose by 11 percent. New receipts of the population were more than M5 billion higher in 1985 than in the previous year. Retail trade turnover rose by 4.2 percent, industrial goods by 5.6 percent, on the basis of the growth in production of consumer goods for the population in the national economy. With services and repairs for the population, the increase in contrast to the previous year is 5 percent.

The efficiency and quality of construction in the building industry has risen. Net production rose by 10.5 percent and labor productivity by 10.9 percent. Prime costs per M100 of production were reduced by 2.9 percent.

In agriculture, the largest harvest so far has been gathered with crop production of 31.1 million grain equivalent units. The plan for supplies to the state for animal husbandry was overfulfilled in all areas. It rose by 5.2 percent in contrast to the previous year with slaughter animals and by 3.4 percent with milk.

In the food industry the rise in net production in contrast to the previous year is 8.4 percent and in labor productivity 7.5 percent. Forestry made 795,500 cubic meters of raw timber available and reforested 24,200 hectares of forest over and above the plan. Intensification was continued in transportation, above all by transferring goods transport from road to rail and inland shipping. In 1985, 295 km of railway track was electrified. In posts and telecommunications, services for the supply of the population and for the national economy in telephone and telex traffic rose by 2.9 percent.

Material and financial funds totalling M6.9 billion were returned by means of State Bank checks from enterprises engaged in industry and construction, transportation and communications, and agricultural enterprises and from the bezirke in socialist competition in the movement "Return of Funds to the State -- Contribution to National Income".

In the individual industries, the following increase for every working day in net production and productivity as well as the following reduction in prime costs for every M100 worth of production was achieved in 1985:

	Net Production	Productivity	Reduction in Prime Costs
	Percent	Percent	Percent
Coal and energy	8.3	6.1	1.9
Ore-mining, metallurgy, and potash	11.7	11.3	2.3
Chemical industry	11.1	11.0	1.7
Electrical engineering and electronics	15.5	14.5	4.3
Heavy engineering and industrial construction	10.8	10.8	2.6
Machine tools and processing	-	-	-
Machinery production	10.0	9.8	1.9
General and agricultural engineering and vehicle production	14.4	13.5	2.3
Light industry	7.9	8.9	1.4
Glass and ceramics industry	11.6	11.4	2.3
Area-controlled and food industry	9.4	8.9	1.6
Geology	13.8	9.5	2.5

SED CC MEMBER OTTO GOTSCHE DIES AT 81

AU301502 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 18 December on page 2 carries a 450-word obituary for Otto Gotsche, an "activist of the first hour"; member of the SED Central Committee since the seventh party congress; member of the GDR People's Chamber and State Council; full member of the Academy of Fine Arts; and member of the Presidium of the GDR Writers' Union, who died on 17 December at the age of 81. The obituary lists novels and stories written by Gotsche as well as prizes and other state and social decorations awarded to him.

REAGAN ANNOUNCES SANCTIONS AGAINST LIBYA

LD080844 Budapest Domestic Service in Hungarian 0700 GMT 8 Jan 86

[Text] The United States will break all economic relations with Libya. Elemer Csak, our correspondent in New York, reports on the details.

Complete economic and commercial embargo, severing all links, including travel, as well as the immediate ordering home of American workers working in Libya -- these, in sum, are the sanctions that the U.S. has instituted against Libya. In his first press conference of the year Ronald Reagan accused Mu'ammarr al-Qadhdhafi of assisting terrorists for a long time and of being personally responsible as well for the airport assassinations which took place a few days ago. According to the President there is indisputable evidence for this but he was unwilling to reveal concrete facts. He held out the prospect at the same time, that if the economic sanctions do not lead to results Washington will take further measures against Libya. Reagan said that the United States has stood up successfully against terrorism and last year the American security organs foiled 126 actions, although Reagan did not say whether these were within or outside the national borders. The President has called upon allies to take effective measures and to join to the boycott of Libya.

COUNCIL OF MINISTERS ON 1985, 1986 PLANS

AU070601 Budapest MAGYAR HIRLAP in Hungarian 30 Dec 85 pp 1,6

[Unattributed report: "The 1986 National Economic Plan"]

[Text] In its review of national economic developments in 1985, the Council of Ministers has stated that industrial production shows a slighter increase than planned; building and assembly as well as agricultural goods production are below the previous year's level; the input of specific energy sources and materials is greater; and therefore the produced national income will presumably show a smaller increase than the stipulated 2.3 to 2.8 percent. Almost half of the shortfall in producing the planned national income originates from unfavorable external circumstances, among other things, from the losses caused by harsh weather conditions, while the other half is the result of weaknesses in leadership and business management and unfavorable tendencies in economic efficiency. Performance output shows a smaller increase than stipulated, and there is a decrease in output per units of fixed assets.

Domestic utilization growth is close to or the same as the stipulated 1 to 1.5 percent. Public consumption remains on the margin of the planned 1 to 1.5 percent, and total national economic investment will be similar to that of last year.

Considering the shortfall of national income and domestic use more or less in accord with the plan, the balance situation of the national economy does not meet the planned target. In addition to this year's worsening exchange rates in foreign trade, there will be a decrease in exports of goods and services as against last year. This shortfall is registered entirely in trade accounted in convertible currency.

Within the industrial output sector, there is an increase in the production of the machine, chemical, light, and electric energy industries, while metallurgy, mining, and the building material industry show a decrease.

This shortfall originates from the unexpectedly harsh winter and the shrinking of certain market sales, but it is also true that no suitable preparations were made to face greater tasks and to quickly expand exports in both directions. As against the planned dynamic growth in exporting industrial products for convertible currency, the increase is slightly greater than stipulated. There is a significant shortfall in the exports of the machine industry, no growth is registered in the light industry, and the drop in metallurgy is greater than expected. The ruble exports of industrial goods show a faster growth and the increase will be higher than planned. Generally, industrial production has not been hindered by a lack of materials and parts, but increased imports have ensured better output conditions than last year. There have been no great improvements in cooperation relationships, namely, in joint company productions. The energy management program shows some results in savings this year, but the energy consumption of the economy is greater than stipulated. Programs to use materials economically and to modernize technologies have continued to be fulfilled. The number of industrial employees is decreasing slower than in recent years and the number of business associations within firms continues to grow.

The building sector's output in the first quarter was very low. Although it gradually picked up later, production will remain below the figure for last year. There is less construction from central investments, and it is observed that demands are not being met adequately and that the building process is improving only slightly. Construction has not been hindered by lack of materials and an improved supply of most products has been available.

Agricultural progress is falling behind the planned level, and instead of the stipulated growth, output shows a slight decrease. The quantity of plant cultivation is close to, while stock breeding will be below last year's results. In plant cultivation, the production shortfall originates from unfavorable weather conditions, while in stock breeding the shortfall is caused by a greater than planned drop in the number of animals. The auxiliary activity of large agricultural plants is expanding according to the plan so that the total agricultural output exceeds the level of 1984.

Crop yields are close to the plan's stipulation. Frosts early in the year have caused damage, mainly in the vineyards, and the wine harvest is below expectations. Slaughtered pig production is below last year's figures, and measures have been taken to improve the situation. As against the plan, there is only a slight decrease in the quantity of agricultural and food production for export, but the convertible income from such export is significantly less than planned as a result of sharply declining prices.

Transportation has, all in all, met the demands for goods freightage, but the regularity of transportation has not improved. The output in passenger transportation exceeds that of 1984. With the greatest investment of the post and telecommunication sector, namely, the finishing of the Krisztina II telephone exchange center, and with various small investments, more than 50,000 new telephones were put into operation. Capacity expansions in water management concentrated on supplying good drinking water and treating and disposing of sewage. As a result of developments 140,000 people have been provided with drinking water from public amenities.

Employment

Fewer people are working in industry, in the building sector, and in agriculture, while the number of service employees is increasing. Employment efficiency has not improved on the national economic level.

The increase in wages and salaries for blue- and white-collar employees is somewhat higher than the stipulated 7-7.5 percent, while agricultural earnings are falling behind this figure. Incomes derived from small businesses are increasing slower than last year. Measures taken to influence the developments in the standard of living are being fulfilled according to the plan. Such measures include the following: the introduction of child care grants; the increase in pensions below 3,000 forints; the increase in child benefits and regular social benefit; the extension of the benefit period in cases of pregnancy and confinement; and the raising of mother care benefits and family allowances.

The consumer price index is growing by 7 percent, which is more or less the planned extent. It was possible to maintain the 1984 level of real wages per breadwinner. Real income per capita exceeds the previous year's level by approximately 1 percent. Improvements in living conditions are generally developing in accordance with the plan. Instead of the planned 74,000-75,000 flats, 70,000 are being finished, and the shortfalls are mostly registered in the construction of housing developments.

About the same amount as planned is being used for investments by the socialist sector. The development of large investments accords with the plan. Four of the development projects were completed (the coal mines in Markushegy and Nagyegyhaz, the bauxite mine in Fenyofu, and the widening of the Arpad Bridge), and some of the new projects at Ferihegy Airport were also put into operation. More of the money for specialized projects was used for investments in the hydrocarbon sector. The developing of telephone networks shows a greater improvement than planned as a result of involving resources from the business and public sectors. Enterprise repayments for investments are proceeding in accord with the plan.

In foreign trade, total exports are growing slower, while total imports are growing faster than planned. Exports in machine and light industrial goods are exceeding the planned level in the ruble trade, while imports are developing as planned and remaining more or less on the same level as last year. The foreign trade surplus will be higher than stipulated. The convertible currency trade surplus is falling behind the planned level of last year. This is mainly the result of very low-level increases in exports and the higher than planned imports -- mainly of energy resources -- as well as the drop in export prices for agricultural products.

The Plan's Chief Targets

In 1986 economic management is facing its basic task in establishing the leading trends for the national economy's Seventh 5-Year Plan. By way of increasing management efficiency, overall economic equilibrium must improve and debts must be cut back in both foreign trade relations. This requires a total increase in the economy's exports, and within this especially in the convertible foreign trade. It also requires a livelier economic growth, the establishing of average real wages, and the setting of conditions to preserve the level of investment.

The targets must be supported by continued and complex improvements in the economic management system; by specific modifications of certain points in this system; by the introduction and realization of tasks concerned with central projects for economic development and action in accordance with the Seventh 5-Year Plan; and by other supplementary measures. It is necessary that purposeful state actions provide help to stabilize enterprises that aim at introducing technological development and modern production structures; to increase efficient exports; to reduce the consumption of materials and specific energy resources; and to help boost labor management and productivity.

The Main Estimates of the 1986 National Economic Plan

The Plan Expressed as a Percentage in Terms of Expected 1985 Performance

National income	102.3-102.7
Domestic use	100.2-101.0
Industrial production	102.0-102.5
National construction-assembly	101.0-101.5
Agricultural goods production	103.0-103.5
Public consumption	101.0
Per capita real income	101.0-101.5

The envisaged expenditure on investments in the socialist sector is 201-104 billion forints at current prices.

The export surplus set for the hard currency exchange of goods is \$350 to 400 million and in ruble-accounting trade R100 to 200 million.

In the state management of technological development, considerations must focus on organizing and starting the medium-range research and development projects relating to the 1986-90 period.

Production Development

Industry, chiefly the processing sector, will face the primary task of exporting and thus quickly increasing its contribution to the national income. According to the medium-range plan, the restructuring of production must be accelerated by a flexible and more efficient adjustment to demands on domestic and foreign markets. The ratio of economically produced and high quality products must be increased both in production and export. By discovering new market opportunities, a faster increase should be realized in exporting industrial goods for hard currency. Real exports have to increase according to interstate agreements. Industry must also be more reliable in satisfying domestic demands.

It is necessary to continue replacing imports with more efficient production, and to increase the manufacturing of semifinished goods and products of other growth industries. Industrial efficiency has to improve by successfully fulfilling central economic development programs, reducing the use of specific materials and energy resources, and by reducing the manufacture of goods that require an excessive amount of energy and materials.

It is considered a priority to keep the total domestic use of energy on the 1985 level. To satisfy demands, at decreasing specific costs, it is necessary to produce 24 million metric tons of coal. The production of electricity will grow and oil production will remain more or less at the 1985 level. The production of gas will approach this year's quantity; however, gas imports are increasing.

Measures are being taken in the metallurgy sector to improve production and export patterns, reduce costs, increase profits, and satisfy domestic demands with better quality. It is the main target of the aluminum-smelting sector to improve export efficiency.

Machine production may increase above the industrial average if the sector is better adjusted to market demands. Hard-currency exports must be increased, and all available opportunities that are not yet fully exploited must be used.

The chemical industry's production may increase if high-quality processed goods and more efficiently selling products are stimulated, and if production cooperation expands to replace expensive import goods.

It is important to fully comply with contract obligations for deliveries in the light industry, especially in the clothing sector, and to better satisfy domestic demands. Measures are being taken in the food industry to improve supply in accordance with demand and to intensify profitability and efficiency. If conditions require, other structural and organizational changes will be introduced.

It is regarded as the building industry's priority to better utilize available capacities and to match construction and assembly demands with a higher quality supply. Further measures are being introduced to intensify competition among enterprises and to reduce the rising cost of construction. In the building sector one must continue the process of modernizing the operational setup and developing internal stimulatory systems that are flexible and follow the business ventures of enterprises. It is an important task to improve the profitability of the increasing construction and assembly exports. Housing construction must be of higher quality as well as more exact in keeping completion deadlines.

The national income produced by agriculture is planned to rise at least at the same rate as production. This must be achieved by increasing yields and by reducing the use of materials and energy. In order to modernize the production structure, it is necessary to introduce better methods of adjusting to sales conditions, improvements in goods processing and packaging, and the selling of new products.

In plant cultivation it is necessary to produce at least 16 million metric tons of grain by continuing with the grain cultivation program, increasing harvest yields, and extending the sowing area of maize. It is possible to reach a higher level of production in oil crops, vegetables, and fruits.

The main task of the animal husbandry sector is to stabilize production, reduce specific expenditures, and improve the profitability of meat production. It is necessary to maintain the level of cattle stock and, within this, increase the number of beef cattle. It is an important aim to raise the number of pigs at the same rate of acceleration as is taking place in replacing prime hogs. Poultry production must also increase. In order to stimulate all this, coordinated measures have been introduced in the fields of meat production, processing, and sales.

Large agricultural plants must increase their supply activity, (above all food-processing, growth industry, and services). In addition to maintaining and improving the standard of domestic supplies, exports of farms and food products should also increase. This requires new markets, coordinated actions among producers and firms holding foreign trade rights, and the better organization of deliveries. In the producers' infrastructure it is necessary to satisfy production and public demands by better utilizing the capacity, introducing organizational measures, and increasing productivity.

In the transportation sector, it is necessary to begin with the inter-sectoral program that provides for the setting up of a more rational goods transportation system and for utilizing the transportation capacity more efficiently. Further savings must be achieved in this sector by reducing consumption of specific materials and energy.

The priority task of the telecommunications sector is to continue with the reconstruction and development program in accordance with the economy's capacity, and to improve the telecommunication networks' operational standard. In 1986 some 40,000 new telephones can be put into operation.

In water management it is necessary to accelerate developments to supply healthy drinking water. Within this, separate management is required to deal with the supply in the south plains region as well as with an improvement in Balaton's water quality. It is necessary to increase water quality protection and the program should begin with treating sewage in eight specially designated town regions.

Investments

Investments by the socialist sector may reach the 1985 level. Above all, it is necessary to pursue and accelerate the pace of investments already started. New investments may begin where these are designated in the medium-range plan and where they support primary goals.

Costs of large investments cannot reach the level of 1985. The planning of the Bos [Gabcikovo]-Nagymaros Dam system is developing according to the interstate agreement, and preparations will begin to expand the nuclear power plant. In accordance with the 5-year plan targets, lump-sum investment projects will significantly increase in areas such as the hydrocarbon industry, and in specially designated fields of the infrastructure, above all in the telecommunications sector, in the road and railroad networks, and in water management.

Other central investments will increase because of the new tasks to be faced as of 1986 which include: education related to the spread of electronics and to the supporting of agricultural research. Concerning other investments, opportunities are provided to continue projects already undertaken, and to buy the most necessary machinery and appliances.

Council investment estimates somewhat exceed the level of 1985.

Investments carried out by enterprises and cooperatives should provide greater support for modernizing the production structure. Credits, state preferences, and grants should give growing support to improving the export capacity and to fulfilling the programs that aim to reduce costs or deal with other priority tasks.

Employment, Personal Incomes and Consumption, Living Conditions

For demographic reasons the number of employees is expected to decrease slightly. This requires an improvement in labor management, employment efficiency, and work discipline, all of which are stimulated by changes in the regulators. State means (retraining support, manpower distribution) are available to carry out the necessary labor regroupings without any trouble.

The 1985 level of average real wages will probably be maintained in such a way that wages will rise faster at efficient companies, and slower than average at less efficient ones. Average wage increases -- in accordance with consumer price index increases -- may reach 5.5 percent. By way of income regulations, the average wage increase in the socialist sector may reach 5-5.5 percent.

Wage policy measures will be introduced in the coal and uranium mining sector, in firms employing people with changed working abilities [megváltozott munkakapessége], in fields employing judges, solicitors, and civil servants of the metropolitan district councils, as well as in designated fields where people are employed by certain provincial firms within the budgetary system [költségvetési üzemek] that deal with real estate. In addition to this, certain priority projects are supported by wage preferences. Wage increases in budgetary institutions [költségvetési intézmények] are set at 5 percent. The rate of increase in incomes derived from small-scale ventures is expected to decline further.

Further improvements will be instituted in the welfare policy, and the following measures are to be expected: In order to support families with children, the child care grant will now apply up to the age of 1 and 1/2; to fully maintain the pensions' real value, pensions will rise by 5 percent (by a minimum of 150 forints) for people above the age 70, as well as for those in the first and second invalid categories; all other pensions are to rise by a minimum amount of 120 forints per month; and the welfare benefit funds of councils will increase further.

The consumer price index can increase by 5 percent. Apart from the price increases induced by market forces, the new central price regulatory measures will only affect a narrow scale -- that is, these measures may cause price increases up to about 0.5 percent. In this latter category the cost of private cars will increase; television licenses will increase by 20 forints; from mid-1986 telephone subscribers will pay 2 forints instead of 1.50 forints per call; and the price will also increase for some non-basic consumer articles.

The standard of food supply will be maintained. Improvements are needed in the range of manufactured goods, especially clothing articles. Responsible authorities are looking after the supply of fuel materials.

Further improvements are necessary as regards housing. With the joint use of state and public money, some 63,000-65,000 homes can be built. Welfare policy grants are increasing and borrowing conditions are improving in order to reduce the burdens of private house construction. It is to be expected that 56,000-58,000 privately owned apartments will be built and this will also be supported by a better supply of building appliances. It is very important to ensure that those who are most in need will receive approval for state housing or local aid. Significant means are available for the reconstruction of housing estates.

The beginning of the social and economic program in public education will accelerate improvements in the conditions for medium-level education. Reconstruction work is continuing at the Karl Marx University of Economic Sciences, at the János Pannonius University of Sciences in Pécs, and at the Loránd Eötvös University of Sciences. The new block of the Loránd Eötvös university is under construction in Lágymányos [part of a Budapest district].

The establishment of 1,300 hospital beds and of 900 places in welfare homes serves to improve the health and social services. The supply of medical instruments can be modernized primarily by improving their quality.

International Economic Relations

The plan stipulates that exports should increase more dynamically and imports increase more slowly than in 1985.

Ruble trade exports may increase [bovvlhet] at the same rate as imports. Imports of energy resources, materials, and parts will increase. Using purchase opportunities in coordination with sound domestic demands, we must try to increase imports of machinery assets faster than the average import rate. To create a better basis for importing energy and raw materials, we are taking part in CEMA's development programs. The export pattern is being modified in line with interstate obligations. It is a necessary requirement to improve export profitability.

In convertible currency trade, exports of processed goods should increase above all. This requires new forms of ventures, the establishment of joint companies, more intensive cooperation on third markets, and specific activities to stimulate production and sales. Export increases are also supported by preferences that promote the development of export production, by agreements, and by the system of applying.

Convertible currency imports are above all meant to serve the modernization of the technological standard of production and encouragement to increase profitable exports; energy imports are decreasing.

The Instrument System for Realizing the Plan

As regards the realization of the 1986 National Economic Plan's main targets, the development process in the economic management system will continue by adjusting changes to requirements that arise from the actual economic situation and from economic policy targets. Within the framework of this process, the economic regulatory system's aim is:

- to promote an efficient and export-oriented development in production, to modernize the production structure faster, which will help increase exports for convertible currency, to reduce the burdens of developing, to increase selectivity, and to stimulate interest in creating income sources;

- to strengthen the regulatory system's power of enforcement by decreasing undue preferences and exceptions;

- to improve the fiscal balance, to reduce price increases, and to ensure the harmony between spending capacity and goods supply.

In 1986 the changeover to new enterprises management forms will basically be completed. Developments in the organizational structure continue in a way that provides increasing grounds for regulated market conditions. The following processes will also continue: further developments in banking, spreading new forms in capital flow, modernization of the judicial system that supports economic policy targets, and improvements in the efficiency of market supervision.

Encouragement is given to realizing the plan by the fact that, during plan preparations, all business organizations and councils were informed about the 1986 economic policy targets and tasks and about the changes that will help to realize these goals. Thus, these organizations were able to begin their plan preparations in time.

The Council of Ministers hereby appeals to all firms and cooperatives, councils, and institutions to work and carry out their own plans in accordance with the National Economic Plan. It requests all employed communities, public organizations, and all citizens of the country to participate, through their activities, in realizing the plan's targets.

RESPONSE TO U.S. SANCTIONS AGAINST LIBYA REPORTED

'War of Nerves' Continues

LD080858 Warsaw Domestic Service in Polish 0600 GMT 8 Jan 86

[Text] A war of nerves atmosphere continues in the Mediterranean region in connection with the situation which has arisen as a result of the anti-Libyan campaign waged by the United States and Israel.

Further proof of this campaign is President Ronald Reagan's first news conference this year. As predicted, he announced the broadening of economic sanctions against Libya, saying that Tripoli is engaged in armed aggression against the United States because of supposed links to the terrorist acts committed at Rome and Vienna airports.

The head of the White House announced a ban on providing Libya with any credits or loans; he also forbid U.S. citizens from traveling to Libya and he ordered the 1,500 Americans working there to return to the United States. Should these steps be insufficient, I promise to undertake further actions, Ronald Reagan said. At the same time, he appealed to the U.S.' Western allies to join in the American moves.

Sanctions as Pressure, Blackmail

LD080941 Warsaw Domestic Service in Polish 0600 GMT 8 Jan 86

[Text] It is with gravity and concern that we view in Poland the provocative actions of the United States against Libya -- a country with which we are connected by ties of close cooperation, writes TRYBUNA LUDU.

We understand the meaning of the announcement that the United States will introduce anti-Libyan restrictions. The results of using such a weapon are visible in Cuba and Nicaragua; but above all, we ourselves have experienced them. Washington's declarations of their intent to punish Libya, precisely through use of restrictions, is but another instrument of pressure and blackmail. It does not change the essence of the policy of certain U.S. circles toward Libya. It only goes to show that they do not renounce punishing those who do not want to conform to their strategy, says TRYBUNA LUDU.

U.S. 'Not Losing Anything'

LD080924 Warsaw Domestic Service in Polish 0600 GMT 8 Jan 86

[Krzysztof Wojna commentary]

[Text] In assessing U.S. policies in the Mediterranean region, it is worth remembering that in unleashing a campaign against Libya, Washington is not losing anything. Its ambassador was recalled from Tripoli in 1979. In 1981, it was demanded that Libya close its diplomatic representation in Washington; bearers of U.S. passports were forbidden to travel to Libya. A year later, Libyan oil was no longer being imported. The export of modern machines and equipment was interrupted. The purchase of refinery products in Libya was banned. Now, U.S.-Libyan trade amounts to \$200 million a year.

During this entire time, Libya has been carrying on a sharp anti-American policy, but Washington has never been able to prove that this policy went beyond the bounds of international coexistence.

That is why, for example, Western Europe has until now decidedly refused to take part in the anti-Libyan campaign -- a fact which, as it happens, has not only political but also economic motives: The Italians, for example, earn \$2.5 billion a year from trade with Libya, and the FRG earns almost \$1 billion. Other members of the EEC are in a similar situation.

URBAN EXPRESSES POLAND'S SOLIDARITY WITH LIBYA

LD071443 Warsaw PAP in English 1410 GMT 7 Jan 86

[Text] Warsaw, Jan 7 -- Addressing today's news conference for foreign journalists accredited to Warsaw, Government Press Spokesman Minister Jerzy Urban voiced the Polish Government's concern over the situation in Libya, a country befriended to [as received] Poland, which is now a target of imperialist pressure.

"I wish to express solidarity with the Libyan people who are now being threatened. We shall continue to develop our relations with Libya. Poland itself is a victim of economic restrictions and is at one with Libya in this respect," the government spokesman said.

Asked about prospects for establishing diplomatic relations with Israel, Minister Urban replied that they cannot be established until the reasons for breaking them off cease to exist.

This depends on the peaceful solution of the situation in the Middle East that would allow for the Palestinian issue. At the present moment, we can only expect the realization of a humanitarian process connected with the setting up of visa sections in Tel Aviv and Warsaw, Urban said.

Minister Urban confirmed that a mixed Polish-French commission would meet here on January 8-10 for the first time since its last meeting in autumn, 1981.

We expect an improvement in the relations between Poland and France, and especially a growth in mutual trade which has been so greatly reduced in the recent years, he added.

URBAN ON POLAND'S INABILITY TO REPAY DEBTS

LD072226 Warsaw Domestic Service in Polish 1800 GMT 7 Jan 86

[Marek Kassa studio report on Polish Government Spokesman Jerzy Urban's 7 January press conference in Warsaw; Urban's recorded comments in quotation marks]

[Excerpts] Jerzy Urban spoke today about Poland's not being able to discharge its repayment responsibilities in the past year. On this subject he said, among other things:

"Poland was unable to pay all its obligations in 1985. We agreed upon the rescheduling of this repayment with our creditors. As we have said more than once, the non-settlement of part of our obligations is directly related to Poland's not being able to obtain credits for the development of its economy. We were expecting those credits. We expressed our need for these credits when signing agreements, pointing out the dependence of our export and repayment possibilities on the full normalization of financial relations with Western countries.

Poland expects this full normalization of financial relations with the West, and we believe that our creditors should be in favor of this in their own economic interest. We are constantly in touch with our creditors; I can state that Poland is not undertaking any unexpected unilateral actions, and does not intend to do so. THE WALL STREET JOURNAL yesterday made known that Poland has been granted 3 months to settle its debts. That is not how the matter stands. The matter has, quite simply, been postponed for 3 months in order to allow time for negotiations."

L'ESPRESSO INTERVIEWS SOLIDARITY'S WALESIA

PM071203 Rome L'ESPRESSO in Italian 22 Dec 85 p 41

[Interview with former Solidarity leader Lech Walesa by Antonio Gambino -- date and place not given]

[Text] [Gambino] Now, 4 years after the proclamation of "martial law," can the plan for "normalization" be said to have succeeded?

[Walesa] Words like "normalization" or "democracy" are open to many interpretations. So, everything depends on how you view a particular situation. Indeed, if by normalization you mean that there are now no demonstrations and clashes in Poland this plan can be said to have succeeded. But if you use a different yardstick, the conclusion is certainly different.

However, what I want to say straight away is that from the summer of 1980 we realized that the process which was then being set in motion would be a very lengthy one, one that would pass through various phases. The phase which began in December, 4 years ago, is the second phase and a third will follow.

[Gambino] What exactly do you mean?

[Walesa] The first phase was that of mobilization and protest, in which the protagonists were the broad people's masses: 10 million people. The second phase, the current one, however, has a much smaller group as protagonists. The aim is to draw up a program of action capable of extricating us from the present crisis and reviving the economy. Once this program has been drawn up it will have to be discussed in the third phase, with the aim of reaching a more general agreement.

This second phase is not over yet, because even among us there are different opinions on some aspects. However, what is clear in all cases is that we are prepared to cooperate in a joint effort to promote the rebuilding of the country.

[Gambino] To cooperate with whom?

[Walesa] With all those in the present leadership team who have the same concerns as we have. In history, progress has always been the fruit of compromise. The first requirement therefore is to sit down at a table and seek ways to achieve economic recovery and, leaving aside everything else, a viable program. In other words, we must draw up a "contract" which takes account of all aspects of our country's situation -- geopolitical, political, social, and cultural.

[Gambino] You mean a purely economic contract; but it is obvious that Solidarity was not just a trade union movement. Rather, its strength came from the fact that it expressed some deep-seated political and national aspirations.

[Walesa] That is true. But the problem today is how to find a way to prevent a deterioration in the economic situation as well as how to encourage a process of recovery. This is the first step for any future development. Therefore, we must work together, aware that we have come to the end of an era and that a delay in Poland's technological development could have extremely serious consequences from all viewpoints. Once an agreement on our true interests has been reached, we can move on to the third phase, which is that of implementation. This phase will be made possible by the fact that coordination of various viewpoints will enable society to feel it is represented.

[Gambino] Does this line contain self-criticism of the choices made by Solidarity in the period between August 1980 and December 1981?

[Walesa] No. With regard to the fundamental points, I am convinced that the choices we made then were the right ones. It must be understood that, precisely because of what happened in those 16 months, Poland has changed a great deal and things will never return to what they were before August 1980. However, without an agreement on the country's real interests, this process of change may last 200 years; in addition, it is likely to be constantly interrupted or reversed. Hence our proposal for a joint effort.

[Gambino] Let us go back 4 years. Do you think a different attitude by the church and Solidarity could have stopped the repressive operation carried out through the proclamation of martial law? Many Western observers, for instance, responded negatively to the statement made by Cardinal Glemp on 14 December 1981 which sounded like a substantial acceptance of the fait accompli.

[Walesa] I do not think that was what Primate Glemp's words meant. His was a stance in favor of a struggle by peaceful means. This has always been our attitude -- both because the tanks were already in the streets and, given Europe's division into two camps, many more could have arrived, and because, even if others use force, we do not want to wage the struggle by those methods.

FRG'S GENSCHER CITED ON FRONTIER DISCUSSION

LD070024 Warsaw Domestic Service in Polish 2200 GMT 6 Jan 86

[Text] Federal Foreign Affairs Minister Hans-Dietrich Genscher reiterated his view in Stuttgart, at the traditional epiphany meeting of West German Free Democrats, that West Germany must terminate discussions on the issue of frontiers and assure Poland that its frontiers will never again be questioned.

Hans-Dietrich Genscher stated that the historic dimension of the treaty signed in Warsaw [in 1970] lies in the fact that the diabolical circle of force, injustice, and resettlement of the population, which have brought so much grief to Poles, Germans, and the whole of Europe, has been broken.

JARUZELSKI, MESSNER GREET PRK ON NATIONAL DAY

LD080004 Warsaw Television Service in Polish 1830 GMT 7 Jan 86

[Text] To mark the national holiday of the PRK, Wojciech Jaruzelski and Zbigniew Messner have sent a telegram of warm congratulations and greetings for the Central Committee of the People's Revolutionary Party of Cambodia, the Council of State, the Council of Ministers and the Cambodian people to Heng Samrin, secretary general of the Central Committee of the People's Revolutionary Party of Cambodia, chairman of the Council of State; and to Hun Sen, chairman of the Council of Ministers.

NATIONAL ASSEMBLY ADOPTS 1986 UNIFORM PLAN

AU250601 Bucharest SCINTEIA in Romanian 19 Dec 85 pp 1, 2, and 3

["Law on Uniform National Plan of Socioeconomic Development of Romania in 1986"; adopted by Grand National Assembly on 18 December in Bucharest]

[Text] The Grand National Assembly of the SR of Romania adopts the following law:

Article 1 -- The Uniform National Plan of Socioeconomic Development of the SR of Romania for 1986 is adopted.

The major indexes of socioeconomic development of the SR of Romania follow (percentages calculated on the basis of prices on 31 October 1985):

INDEX	INCREASE COMPARED TO 1985
1. Social product	7-8
2. National income	10-12
3. Industrial production	
-- goods value	8-9
-- net production value	12-15
4. Agricultural production	
-- overall production value	6-7
-- net production value	10-12
5. Overall investments in the economy	6-8
6. Foreign trade volume	12-15
7. Labor productivity in the national economy (calculated on the basis of goods value)	10-12
8. Reductions in expenditures per 1,000 lei of goods in the national industry	5.9
9. Average net pay	1.3
10. Peasantry's income from work in agricultural production cooperatives and private farming, per active person	2.4
11. Retail sales	1.3
12. Public services	15

Article 2-- The following figures are envisaged for major industrial products:

Electrical power	million kwh	77,500
Net coal	thousand metric tons	69,000
Extracted crude oil	thousand metric tons	12,100
Useful methane gas, including free gas	million cubic meters	31,000
Steel	thousand metric tons	16,400
Electrotechnical and electronic means of automation and electronic computers	million lei	10,200
Products of precision machinery and optics industry, hydraulic and pneumatic elements	million lei	14,000
Metal-cutting machine-tools	million lei	11,860
Technological machines and equipment for industry	thousand metric tons	920
	million lei	45,600
Tractors	units	90,000
Town vehicles	units	235,030

Technical and special sea-going freight vessels	thousand dwt	1,016
Chemical fertilizer	thousand metric tons in terms of 100 percent active ingredients	3,870
Basic macromolecular products	thousand metric tons in terms of 100 percent	860
Synthetic rubber	thousand metric tons	230
Tires	thousand units	8,000
Artificial and synthetic fibres and yarns	thousand metric tons	400
Cement	thousand metric tons in terms of 80 percent clinker	16,500
Wood furniture	million lei	21,600
Household electrical appliances	million lei	2,250
Medicines for people	million lei	5,200
Textiles	million square meters	1,365
Textile clothing	million lei	50,900
Knitwear	million lei	19,000
Footwear	million pairs	134
Slaughtered meat -- total	thousand metric tons	2,200
Fish	thousand metric tons	380
Milk and milk products	thousand hectoliters	27,200
Edible oil	thousand metric tons	543
Sugar	thousand metric tons	960
Beer	thousand hectoliters	13,500

Article 3 -- The Council of Ministers will take steps so the ministries and other central bodies, the Executive Committees of County People's Councils and of Bucharest Municipality, the Working People's Councils in central departments and enterprises, the State Planning Committee, the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, the Ministry of Foreign Trade and International Economic Cooperation, the National Council for Science and Technology, and the Ministry of Finance should ensure:

a) fulfillment and overfulfillment of tasks concerning production goods, by guaranteeing a smooth flow of the itemized production and further improving the structural range and technical and qualitative level of production, with a view to manufacturing products with high technical-functional parameters that make better use of the resources of raw and other materials, fuel, and energy and can compete in foreign markets; fulfillment of the itemized production earmarked for export, under quality conditions and within deadlines envisaged in the contracts concluded with the foreign partners; a fast development rate of production in peak technical sectors, by giving priority to the necessary means for introducing mechanization, automation, and robots in manufacturing processes;

b) fulfillment by all economic units of their duties within the social division of labor, in accordance with provisions of the Uniform National Plan and with the overall requirements of our socioeconomic development; steps will be taken at all organizational levels in the economy to observe plan discipline and strengthen control over production -- from the conclusion of contracts, technological preparatory work, the assimilation of new products, and securing supplies and the necessary manpower up to the actual manufacture of products and their delivery to domestic and foreign markets -- by strictly observing consumption norms for raw and other materials, fuel, and energy, in accordance with law provisions;

c) full use of the productive potential of enterprises, by increasing the degree of utilization of machines, equipment, installations, and built-up facilities; on-schedule

deliveries of technical-material supplies to enterprises in the structural ranges required to fulfill the production for domestic consumption and export; smooth production marketing in accordance with obligations stipulated in contracts and securing the necessary manpower; better personnel training and greater technological and work discipline;

d) safe operation of installations, machines, and equipment, by strictly observing maintenance, check-up, and repair programs; supplies of the necessary materials, spare parts, and subassemblies and their efficient use; more extensive reconditioning of worn parts and subassemblies and measures to improve the technical-functional parameters of and to update machines, equipment, and installations, along with capital repairs;

e) primary use of domestic resources of raw material and energy and reduction of imports to the absolute minimum; cuts in material expenditures and rational management of resources envisaged by plan; reintroduction of reusable materials into the economic flow and extending use of reconditioned parts and subassemblies derived from production and consumption processes;

f) firm implementation of programs for production integration and specialization, in accordance with provisions of the Uniform National Plan; proper correlation within the horizontal industry to intensify parts and subassemblies manufacture and to ensure stocks for a continuous production flow; complete implementation of provisions anticipated in programs dealing with cooperation among enterprises, central departments, ministries, and counties, with a view to meeting production and exports requirements and strictly observing contract terms;

g) further modernization and diversification of consumer goods production per quality ranges;

h) steady growth of small-scale production, by processing certain local resources and recoverable and reusable materials; steps will be taken to organize production-sharing ventures with enterprises from the national industry.

The Council of Ministers, ministries, other central bodies, the Executive Committees of County People's Councils and of Bucharest Municipality, and the Working People's Councils in central departments and enterprises will firmly apply the provisions of the program to raise the technical and qualitative level of products, reduce the consumption of raw materials, fuel, and energy, and better utilize raw and other materials and of the program to markedly increase labor productivity and improve work organization and norms.

Firm steps will be taken to perfect the planning and programming of production, increase the role of central departments as plan holders, and strengthen their responsibility in the planning activity and plan fulfillment.

Article 4 -- The planning of the itemized production, the distribution, contracting, and delivery of raw and other materials, fuel, energy, and all products, as well as their use in the entire national economy will be done exclusively on the basis of approved consumption and reutilization norms, in accordance with law provisions and by observing the list of standardized materials and products and the technical-qualitative characteristics and other standard provisions.

Article 5 -- Given normal weather conditions, the following productions of major agricultural products are envisaged for 1986 in agriculture, which is a basic branch of our national economy:

	UNIT OF MEASUREMENT	1986
Grain -- total	thousand metric tons	31,000
of which,		
Wheat and rye	thousand metric tons	10,800
Corn and sorghum	thousand metric tons	17,400
Barley and two-row barley	thousand metric tons	2,800
Sugar beet	thousand metric tons	10,250
Sunflower and rape	thousand metric tons	1,180
Flax for oil	thousand metric tons	110
Soybeans	thousand metric tons	750
Beans	thousand metric tons	340
Flax and hemp for fiber	thousand metric tons	850
Fall potatoes	thousand metric tons	6,600
Field vegetables	thousand metric tons	7,700
Fruit	thousand metric tons	2,900
Grapes	thousand metric tons	2,245
Meat on the hoof	thousand metric tons	2,938
Cow and buffalo milk	thousand hectoliters	61,170
Wool	metric tons	52,000
Eggs	million units	8,300

Article 6 -- Arable land under cultivation will total at least 10,010 thousand hectares; 2,000,000 hectares will be sown to cash and secondary crops of corn, sunflower, soybeans, sugar beet, beans, vegetables and fodder crops.

Irrigated land area under cultivation will total 3,360,000 hectares, of which the arable land will total 3,200,000 hectares.

Article 7 -- By the end of 1986 the number of livestock will total as follows:

	UNIT OF MEASUREMENT	1986
Cattle --	thousand heads	8,500
of which:		
Cows and buffalo cows	thousand heads	2,937
Pregnant heifers	thousand heads	683
Pigs --	thousand heads	15,000
of which:		
Sows	thousand heads	1,185
Sheep and goats	thousand heads	24,000
Egg-laying fowl	thousand heads	67,000

Article 8 -- In 1986 the material basis of agriculture will develop as follows:

a) agriculture will be supplied with 17,000 agricultural tractors and 5,600 grain-harvesting combines, fodder harvesters, and other agricultural machines and equipment;

b) 550,000 hectares of land will be irrigated;

c) drainage work will be performed on 450,000 hectares, anti-soil erosion work on 245,000 hectares, and agricultural and soil-melioration work (limiting, scarification, and deep loosening) on 1,921,000 hectares;

d) the agricultural sector will be supplied with 2,200,000 metric tons of chemical fertilizer containing nitrogen, phosphorus, and potash and 60,000 metric tons of pest-killers all in terms of active ingredient; 42,200,000 metric tons of natural fertilizer will be applied.

Article 9 -- To implement the plan provisions on the agricultural production, the Council of Ministers will take steps so the Ministry of Agriculture and Food Industry, the National Union of Agricultural Production Cooperatives, the Academy of Agricultural and Silvicultural Sciences, county agricultural bodies, and the state and cooperative joint agroindustrial councils should ensure:

- a) firm implementation of provisions for 1986 from the national program on ensuring safe and stable agricultural production, by using to capacity and with maximum efficiency the technical-material base and the means allocated to this end by the uniform national plan;
- b) complete and intensive use of the land's productive potential and increase in the area of agricultural, particularly arable, land, through hydromelioration work, anti-flooding protection, better territorial planning and organization, and the exploitation of non-agricultural plots existing in all counties; strict observance of schedules approved for recovering and reintroducing into agricultural flow certain areas that were used for investment projects and other purposes; complete use of irrigated land to efficiency levels envisaged by plan; and parcelling the land into optimal-size fields, within the framework of crop-rotation systems;
- c) strict observance of crop structures and of areas earmarked for each crop, on the basis of plan provisions; strict observance of optimal sowing schedules and hectare densities in accordance with law provisions; on-schedule preparation of plots for intensive crops of high efficiency, by ensuring the necessary technical-material base and all conditions for record crops, in accordance with programs approved for each county;
- d) continuous increases in the productive potential of the entire land stock, by implementing measures established for the protection, improvement, preservation, and proper management of the land, observing cultivation technologies for each crop, more rapidly applying in production the valuable experiences of agricultural research stations and institutes, and completing all agricultural and land improvement operations;
- e) general use of strains and hybrids with a high productive potential and superior qualities, which are resistant to low temperature, drought, sickness, pests, and other hostile environmental conditions; use of domestically produced seeds and seedlings of quality strains and hybrids for all crops, adapted to soil and weather conditions specific to each area; and achievement of additional production for export, in accordance with the approved program on the production of seeds and seedlings;
- f) further improvements in the production, storage, and use of vegetables, potatoes, and fruit to better meet consumer requirements throughout the year as well as industrial and export requirements;
- g) performance of orchard and vineyard maintenance work and the modernization and planting of new orchards at an intensive and superintensive pace, to attain larger quantities of grapes and fruit;
- h) on-schedule and optimal performance of agricultural operations and rational and efficient use of chemical and natural fertilizers and of chemical pesticides and herbicides; extension of the mechanization of agricultural operations; rational use of the entire fleet of agricultural machines and tractors by making use of multipurpose machines capable of performing several simultaneous operations, thus saving on fuel; attaching two trailers on tractors for transport purposes;
- i) increases in the number of livestock and in average and total animal productions by improving selection and biological materials, increasing birth rates, and reducing death rates; complete use of industrial-type livestock facilities and breeding farms;

promoting the development of rabbit breeding, beekeeping, silkworm growing, and fisheries; expanding ocean fishing in more productive areas and in areas that yield more valuable species;

j) increased fodder production by fully cultivating and using all areas earmarked for fodder crops and secondary crops and by increasing average yields per hectare; extending improvement work on natural pasture and hay fields, including those situated in forests, as well as on grazing areas in forests; seeding and extra-seeding pasture and hayfields in mountain and wooded areas; expanding secondary crops particularly in irrigated areas; and more extensive use of bulk fodder and by-products;

k) harvesting of agricultural crops at the optimal time and transporting, storing, and preserving agricultural produce in appropriate conditions, with a view to cutting back losses and preserving product quality;

l) increased economic efficiency in all state and cooperative agricultural units and in the food industry; better management of material and cash resources; reduced expenditures and consumption of raw and other materials, fuels, and energy;

m) complete and expedient establishment of the centralized state stock of agricultural produce and the county consumer funds and firm implementation of the principles of regional self-management and self-sufficiency.

Article 10 -- In 1986, 23.1 million cubic meters of wood material will be brought into the economy flow, of which 20.5 million cubic meters are for the industrial production.

The Council of Ministers will take steps so that the Ministry of Silviculture, the Ministry of Agriculture and Food Industry, the Executive Committees of County People's Councils, and other forest holders ensure the complete and optimal implementation of provisions of the national program on conserving and developing the forestry stock, in particular, the following:

a) regeneration of 49,400 hectares as follows:

16,300 hectares through natural processes, by promoting to a larger extent valuable domestic species (spruce, fir, beech, and oak);

33,100 hectares through reforestation and forestation, with a view to replacing non-efficient bushes with fast growing species of which economic value on 16,000 hectares and planting 7,500 hectares with special species suitable for cellulose timber; resinous species will make up 55 percent of the total volume of reforestation and forestation of the forestry stock; 3,200 hectares of eroded land outside the forestry stock, not suitable for cultivation, will be planted with woods to improve it.

b) strict observance of legal provisions to speedily reintroduce in the productive flow all areas released from the forestry stock for various investment projects; limiting the release of areas from the forestry stock for other purposes;

c) strict observance of silvicultural rules for utilizing the forests and carrying out all necessary maintenance and thinning operations, in order to make full use of all wood material derived from such operations;

d) removal and complete utilization of broken and fallen trees, wind and snow-felled trees, and dried or insect infested trees; complete removal of fallen branches and other wood material from forest floors;

e) increased production and better utilization of all forest products, particularly forest fruit and edible mushrooms from wild forest plants, as well as the development of the fish, game, beekeeping, and silkworm economies and so forth.

Article 11 -- In 1986 the water management sector will be expanded by new multi-purpose reservoirs totaling a volume of 348 million cubic meters; waterway regulation will be performed along waterways totaling 175 km; anti-flood dams will be built along a 20 km stretch to protect population centers, economic units, and an agricultural area of 9,000 hectares.

The council of Ministers will take steps so that the ministries, other central bodies, central departments, enterprises, and the executive committees of county people's councils and of Bucharest Municipality together with the National Council for Environmental Protection and the National Council for Waters, implement measures included in the programs on the environment and the improvement of hydrographic basins, by ensuring:

a) coordination between hydrotechnical work and framework-programs for the complete utilization, complex improvement, and rational use of waters within their respective hydrographic basins and regional development planning;

b) rational utilization of resources for drinking and industrial waters, irrigation, electrical power plants, navigation, fish-farming and other purposes; an increased recycling rate of industrial waters and the cutting back of losses to a minimum; prevention of land erosion; and protection of fauna, forests, and vegetation in reserves and parks;

c) commissioning and appropriate utilization of waste water purification stations and installations in order to preserve water quality, avoid pollution, and reduce consumption of industrial waters and recirculate them; recovery of useful ingredients from used waters and utilization of residual muds.

Article 12 -- In 1986, the total volume of goods transportation will amount to 2,070 million metric tons.

The material base of general transportation will be increased through the addition of 65 diesel and electric locomotives, 3,000 freight cars for normal rails equivalent to 4 axles [in echivalent de 4 osii], non self-propelled river vessels with a total capacity of 178,000 metric tons, 25 river tugboats and pusher tugs, and maritime vessels with a capacity of 641 dwt.

Article 13 -- The Ministry of Transportation and Telecommunications, together with the ministries, central departments, and enterprises will work to commendably organize the transportation required by the economy. In this respect, they will take measures to:

a) increase railway transportation, reduce transport distances and empty runs, and increase the load weight on trains, by providing high capacity cars for the transportation of coal, ores, and other bulky freight;

b) limit road transportation to the strictly necessary, and see that it is used, as a rule, in areas without rail and river means of transportation; gradually reduce motor transportation in building sites, quarries, ballast-pits, and enterprises, by replacing it with other transportation means with lesser fuel consumption; attach 2-3 trailers to motor means.

c) extend the utilization of the Danube-Black Sea Canal for freight transportation;

d) utilize to capacity our national fleet by radically improving the organization and management of maritime transportation;

e) fully utilize the capacity of passenger and freight aircraft for meeting transportation requirements;

f) extend the use of modern transportation methods -- particularly palletization and containerization -- and mechanized loading and unloading operations; reduce transportation time; ensure that means of transportation are not standing idle in railway stations, industrial enterprises, and ports; strictly save fuel and energy in transportation and telecommunications;

g) reduce repair time of transportation means by improving technological processes, expanding the production and reconditioning of spare parts, and lengthening running periods between repairs;

h) increase labor productivity, continuously reduce transportation costs, particularly the cost of transportation with the motor means of enterprises and other economic units, so that it becomes much lower than the general level of transportation costs attained by the Ministry of Transportation and Telecommunications.

Article 14 -- The volume of post and telecommunication activities in 1986 will be 3.4 percent larger than in 1985. Through intensive utilization of existing facilities and the broader application of new teletransmission technologies; the qualitative level and efficiency of all post and telecommunication public services will improve.

Article 15 -- In 1986 the total volume of investments in the national economy will amount to 265-270 billion lei.

The following investment funds will be allocated to the main branches of the national economy:

Branch	million lei
Industry	147,500
Agriculture, forestry, and water economy	47,800
Construction, transportation, and telecommunications	37,400
Goods turnover and tourism	3,800
Scientific research, education, culture, medicare, and other social and cultural expenditures	2,700
Housing and communal administration	27,000
Other investments	3,800

In the course of 1986, 185 important industrial and agro-zootechnical productive facilities will be commissioned.

Financial, material, and manpower resources will be concentrated on hastening the commissioning of investment projects now underway. Work may begin on new projects only after technical-economic and execution blueprints have been approved.

Investments will mainly be designed to increase the energy and raw material base; implement the program for the intensive development, modernization, and elevation of the technical level of industry; implement the land improvement programs for agriculture as well as the program for the mechanization of agriculture and other sectors; and fulfill approved programs to improve the technical and qualitative level of products, reduce consumption of raw materials, fuel, and energy, better utilize recoverable and reusable resources, put new items into production; raise labor productivity, and increase the competitiveness of Romanian products in foreign markets.

Investments will primarily be made to ensure the modernization, automation, and overhaul of existing facilities, with a view to guaranteeing better production streamlining, integration, and specialization as well as raising economic efficiency.

Article 16 -- The Council of Ministers will ensure that all investment fund holders, equipment-supplying ministries and centrals, or those responsible for construction-assembly enterprises, together with the Council for Coordinating Investment Activity, the State Planning Committee, the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, the National Council for Science and Technology, the Ministry of Finance, the Ministry of Foreign Trade and International Economic Cooperation, the Ministry of Industrial Constructions, the Committee for People's Councils's Problems, the General State Inspectorate for Investments and Construction, and the financing banks take measures to:

- a) strictly observe provisions concerning commissioning schedules for new projects according to prescribed execution durations and type of facility;
- b) carry out construction-assembly work and deliver equipment in accordance with investment project schedules; observe mechanical and technological tests prescribed; secure skilled manpower necessary to perform these tests in optimal conditions; properly organize the participation of specialists from client enterprises in assembling the equipment and testing it;
- c) speed up the preparation of studies for investment projects by taking full use of the services of central research institutes and other research, technical engineering, and design units for construction and installation work; expand the utilization of standard and reusable blueprints; and improve blueprints, by introducing new technologies on reducing energy and material consumption, by creating new and higher quality materials, and by organizing teams of designers on building sites to provide technical assistance and speed up work;
- d) ensure that investment studies feature the most efficient technological and construction solutions to ensure that the allocations of construction materials, energy, and fuel will not be exceeded and that the efficiency of the respective investments will increase; substantiate the allocation of materials for each project on the basis of physical norms; and tailor the volume and area of industrial and agro-zootechnical facilities to the requirements of technological processes;
- e) ensure steady work on all construction-assembly sites; expand the mechanization and industrialization of construction-assembly operations and employ modern construction methods, with a view to efficiently utilizing manpower, construction equipment, and transportation means; and intensify cooperation among client, design, and construction-assembly enterprises and the equipment suppliers;
- f) further cut costs by applying the most efficient technological and construction solutions, expand the utilization of standard blueprints, reduce construction-assembly work, build facilities no larger than what technological processes require, make maximum use of existing facilities, reduce consumption of construction materials, utilize prefabricated, substitute, and local materials to a larger extent, and enhance the efficiency of each leu invested or spent;

Article 17 -- The Council of Ministers will ensure that the ministries, central departments, enterprises, and the executive committees of county people's councils and of Bucharest Municipality take steps to secure the efficiency of fixed assets envisaged in the plan by fully loading production facilities and capacities, observing planned utilization indexes for machines, equipment, and installations, introducing mechanization, automation, and robots in the production processes, reducing production costs, carrying out appropriate overhaul and repair operations, and commissioning new investment projects on schedule.

Article 18 -- In 1986, for the area of scientific research, technological development, and technical progress, the plan envisages more than 3,000 main projects that will lead to raising the technical and qualitative level of production and will substantially contribute to better utilizing raw materials, raising the technical and qualitative level of produce, reducing material and energy consumption, and more rapidly increasing labor productivity and overall production efficiency. New products and materials will be put into production, so that 12.5 percent of those goods produced in 1986 in the processing branches of the national industry are new and updated products.

Article 19 -- Under the leadership of the National Council for Science and Education and the Central Council for Typification, Standardization, Norming, and Quality and in cooperation with the National Council for Science and Technology, the State Planning Committee, the Ministry of Technical-Material Supply and the Control of the Management on Fixed Assets and with ministries, central departments, enterprises, relevant central institutes and academies, and scientific research, technical engineering, and design units, the Council of Ministers will take steps to:

- a) increase the contribution of scientific research to secure our own raw materials base and raise the efficiency of geological activities, in close accordance with economic requirements to identify and exploit new mineral deposits and energy resources; increase the efficiency of prospecting and exploration operations by concentrating technical and material resources on areas with immediate prospects and shortening delays between the research stage and putting into production the resources found; and improve extraction and treatment methods for minerals in the extractive industry in order to speed up the utilization of our geological resources, including those located at great depth or with fewer useful contents;
- b) identify and utilize new energy resources, exploit new resources of energy, fuel, and synthetic fuels and all categories of recoverable energy and material resources derived from production and consumption processes, and reduce specific energy and fuel consumption in all sectors; manufacture equipment and materials suitable for implementing programs on the utilization of new energy resources and of recoverable and reusable energy resources; increase the efficiency of coal and hydraulic power stations and speed up the commissioning of nuclear stations;
- c) improve and develop new technologies on processing raw materials; implement programs on better utilizing raw and other materials; manufacture high quality synthetic materials and new metals and materials for the machine building industry, particularly for the electronic and microelectronics industry; manufacture new and better quality machines and equipment to reduce material consumption, enhance the technical and qualitative level of products, and design new engines with lower fuel consumption; implement new programs for the introduction of automation, electronics, and robots in production processes, particularly complex automation lines, which should further raise labor productivity, particularly in high priority economic branches with more difficult working conditions that require special efforts;

- d) expand and complete programs ahead of plan schedule to assimilate, modernize, and renew production to create and put into production new and superior materials and new and highly efficient multi-purpose machines and equipment with a high level of automation that can compete in foreign markets; and develop electronics and microelectronics;
- e) create new strains of more efficient seeds and plants with better resistance to frost and drought and a shorter growing span; develop new animal breeds with higher potential and better feeding qualities as well as new feeding technologies for livestock;
- f) more rapidly introduce the results of scientific research and technical engineering into production;
- g) increase the contribution of scientific research and technical engineering to scientifically organizing and programming production; carry out optimal maintenance and repair of machines, equipment, and installations; extend production mechanization and automation; and raise labor productivity, cut down on costs, and enhance economic efficiency in all areas;
- h) improve the typification, standardization, and technical norm setting of material and energy consumption in order to raise the qualitative level of production, increase the efficient functioning performance and the durability of products, and enhance the efficiency of all economic activity;
- i) strengthen cooperation between research, education, and production and promote their integration in order to appropriately solve economic problems and finalize scientific research, technological development, and technical progress projects and efficiently implement them in production, by reducing research costs and increasing productivity in these fields. This should result in shortened research-design-production cycles.
- j) blend applied and basic research with a view to ensuring a stock of technical solutions for resolving the country's long-term socioeconomic development problems;
- k) develop the production process with the contribution of scientific research and technological engineering units, in order to better meet economic requirements for highly technical products and further reduce imports and increase exports.

Article 20 -- In order to secure the material base of the plan, particularly from domestic resources, the Council of Ministers will ensure that the enterprises, central departments, ministries, other central bodies, the executive committees of county people's councils and of Bucharest Municipality, together with the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, the State Planning Committee, the Ministry of Finance, the National Council for Science and Technology, the Ministry of Transportation and Telecommunications, and the banks act to:

- a) utilize to a greater extent domestically produced raw and other materials, including norm-exceeding stockpiles;
- b) markedly reduce energy and fuel consumption in all fields, by raising energy efficiency rates, particularly in branches with high electrical and fuel consumption; in this respect, action will be taken to modernize installations, improve manufacturing technologies and all categories of high-consumption energy equipment, and fully utilize all reusable energy resources.

c) strictly limit the consumption of liquid hydrocarbons and replace them with brown coals and other less valuable energy resources; reduce technological losses and expand heat recovery; extend the use of oil-well gas, methanol, and biogas in the economy's transportation means;

d) strictly observe consumption norms and regulations and prescribed stocks of raw and other materials, fuel, and energy; improve utilization indexes; make use of substitute materials in industry; reduce material losses in handling, storage, and transport of products; and further improve consumption norms and regulations, on the basis of technical progress and the application of new technologies;

e) increase the contribution of reusable materials to meeting national economic requirements for raw materials by intensifying their recovery; ensure the selection, storage, management, and delivery of all categories of material resources derived from production and consumption processes; ensure the more extensive utilization as such, or after minor processing and reconditioning, of materials, parts, and subassemblies derived from shutting down certain fixed assets. The Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, together with other ministries and central departments, will ensure that raw and other new materials are delivered only after the client enterprises have delivered recoverable materials in accordance with the plan;

f) administer and intensively use packing materials and ensure the complete recovery and reconditioning of such materials -- pallets and containers -- so that they can be re-used;

g) intensify measures to put new products envisaged in special programs into production; strictly apply the typification of products and other provisions of technical standards and norms in distributing, contracting and delivering materials and products;

h) improve the supply process in order to ensure smooth deliveries of raw and other materials and products to enterprises, in accordance with plan provisions; strictly observe the terms of economic contracts.

Article 21 -- In order to substantially increase economic efficiency in all fields and branches of activity, the Council of Ministers will take steps so that ministries, the working people's councils in central departments and enterprises, the executive committees of county people's councils and of Bucharest Municipality, together with the State Planning Committee, the National Council for Science and Technology, the Ministry of Finance, the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, and the Ministry of Labor act to further modernize production structures, continuously raise the technical and qualitative level of products, increase labor productivity, accentuate production sharing and integration in order to utilize facilities to capacity, strictly save and better utilize raw materials, fuel, and energy, recover and reutilize resources derived from production and consumption processes, and reduce production costs, particularly material expenditures.

Article 22 -- By broadly promoting technical progress, further improving the organization of production and work, scientifically setting norms for production and work, and raising the professional training of the working personnel, labor productivity per capita will be increased in 1986 as follows:

a) 10-12 percent in the national industry, calculated on the basis of production goods;

b) 10.5-12.5 percent in construction-assembly operations, calculated on the basis of construction-assembly production.

Article 23 -- In 1986 the number of working personnel throughout the economy will total 7,685,000 people.

As many as 375,000 workers will be trained in vocational schools and lyceums and will join production in 1986. Particular emphasis will be placed on improving vocational and foremen schooling and improving curricula.

Article 24 -- The Council of Ministers will take steps so that ministries and other central bodies, the executive committees of county people's councils and Bucharest Municipality, the working people's councils in central departments and enterprises, the Ministry of Labor, the State Planning Committee, the National Council for Science and Technology, and the Ministry of Education and Instruction fully implement the 1986 provisions of the program to markedly raise labor productivity and improve the organization and setting of norms for work. In this respect, they will act to:

a) promote technical progress by bringing new items into production, acquiring complex and automated machines and production lines, improving manufacture technologies, and raising the degree of mechanization and automation of production processes; special attention will be paid to the mechanization, automation, and robotization of those production processes that imply difficult working conditions and require a large number of personnel, such as foundries, forges, thermal treatment plants, metallurgy, chemistry, transportation means and systems, the light industry, and other industrial and economic branches;

b) radically improve production and labor organization in enterprises, sections, and workshops as well as technological flows and labor norms in all branches, according to available technical equipment; establish labor productivity and manpower expenditure norms for each product and operation; reduce the number of personnel who are not directly productive; strengthen order and discipline at each workplace; and increase the working personnel's responsibility for and participation in judiciously and efficiently managing their enterprises;

c) implement program provisions on recruiting, training, and professionally improving manpower, by giving priority to ensuring available working personnel required for all productive sectors, particularly in the oil and mining sectors, and perfecting the training of manpower in agriculture.

Article 25 -- In 1986, expenditures per 1,000 lei production or gross income will be reduced by the following, as compared to 1985:

- 48.4 lei in the national economy;
- 12.0 lei in construction-assembly activities (contracts);
- 12.0 lei in transportation.

The Council of Ministers will take measures to ensure that ministries, other central bodies, the executive committees of county people's councils and Bucharest Municipality, the working people's councils in central departments and enterprises, the Ministry of Finance, the State Planning Committee, the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, the State Committee for Prices, and the Financial-Banking Council fulfill the program on cutting back material costs and expenditures in production and secure the revenues established in income and expenditure budgets in close coordination with the Uniform National Plan and the state budget. In this respect, measures will be taken to strictly observe provisions of the new economic-financial mechanism; steps will be taken to ensure that each economic unit resolutely applies the principles of workers self-management and economic-financial self-administration with a view to implement a strict system of savings in all fields of activity and financing expenditures out of its own resources, within the limits of individual income and expenditure budgets, thus obtaining maximum returns for each lei spent.

In 1986 the volume of foreign trade will be 12-15 percent higher than in 1985.

The Council of Ministers will ensure that the ministries, other central and local bodies, central departments, and enterprises, together with the Ministry of Foreign Trade and International Economic Cooperation, the State Planning Committee, the Ministry of Finance, the Ministry of Technical Material Supply and Control of the Management of Fixed Assets, the National Council for Science and Technology, and the Romanian Foreign Trade Bank act to:

- a) intensify canvassing of foreign markets and conclude contracts with foreign partners on the entire volume of exports and imports, under conditions of high efficiency; further develop barter trade;
- b) secure the commodity fund earmarked for export by manufacturing products on time and in accordance with structural ranges and qualities stipulated in contracts with foreign clients; rapidly adapt our production to foreign market requirements to increase the share of highly processed items; and continuously increase hard currency returns for our export products;
- c) efficiently manage hard currency funds earmarked for financing imports by each ministry, central department, and enterprise, by reducing specific consumption rates, using domestic resources as much as possible, and bringing into production new items and materials; schedule imports in close coordination with exports and with incoming hard currency returns;
- d) diversify marketing forms and expand markets; carry out export-import operations, particularly in machine building; increase deliveries of blueprints, studies, technologies, and technical expertise abroad;
- e) complete all international economic and technical cooperation ventures; intensify negotiation with foreign partners and initiate new ventures to expand and increase the efficiency of international economic cooperation; increase the profitability of joint companies;
- f) secure the necessary manpower and equipment for completing construction-assembly work abroad on schedule and under competitive conditions and promoting the export of blueprints, technical studies, and expertise.

Article 27 -- The plan provisions for industrial production, agricultural production, raw materials use, recovery of reusable materials, labor productivity, currency accumulation, and the efficiency of fixed assets are minimal, while those concerning production costs, investments, material expenditure, material consumption, and consumption norms and regulations, including those resulting from standardized technologies, production lines, installations, and products are maximal.

The provision envisaged for exports are minimal, while those for imports are maximal. Products will be imported only after a thorough study as to how necessary and efficient they are, by ensuring a planned equal trade balance for the entire economy as well as for each ministry and central department.

Article 28 -- In 1986 the national income will be 10-12 percent higher than in 1985 and will ensure the necessary resources for further expanding production forces and raising the people's material and intellectual living standard.

Article 29 -- In 1986 the total volume of retail sales through socialist trade outlets will be 280 billion lei and the volume of public services will increase by 15 percent compared with 1985.

To better meet consumer requirements, the Council of Ministers will ensure that the Council on Coordination of Consumer Goods, the Council on Coordination and Guidance of Public Supplies and Services, the Ministry of Domestic Trade, the State Planning Committee, the executive committees of county peoples councils and Bucharest Municipality, together with other plan holders and consumer goods producers act to:

- a) fully implement provisions of the program on application of the regional self-management and self-sufficiency program and the uniform program on increasing agricultural yields in the private plots of members of cooperatives and in private farming, with a view to ensuring appropriate consumer supplies of agricultural produce; fully implement the program on public catering on a scientific basis, with a view to ensuring appropriate supplies of foodstuffs and industrial consumer goods to the people;
- b) increase vegetable and animal agricultural production in all state and cooperative units; ensure deliveries to state stocks at the level established for each county; and make better use of resources derived from the people's private plots;
- c) fully and regularly deliver to the people all consumer goods envisaged by plan and ensure that the products are of good quality and come in diversified ranges, to meet the demands of various categories of consumers;
- d) develop public catering; increase and diversify the production and marketing of cooked and semicooked foods to make work easier in private households; improve supplies to canteens, public catering units, and other collective consumers by developing production of meat, milk, milk derivatives, eggs, vegetables, potatoes, and fruit in annex plots of socioeconomic and cultural units, with a view to increasing supplies from such sources;
- e) intensify sales of nonfood products in rural areas concurrently with increased state stock purchases and procurement of agricultural produce from private producers;
- f) judiciously distribute stocks of consumer goods throughout the country while giving priority to large cities, workers centers, and spas;
- g) further improve and develop services, expand the range of public services offered, improve their quality in accordance with requirements, and efficiently employ existing facilities and local manpower;
- h) reduce turnover costs by making a full use of the technical-material base available to trade units; reduce transportation and storage costs; and fulfill the planned goods stocks.

Article 30 -- The remuneration fund of working personnel will amount to 304.4 billion lei, ensuring an average nominal pay increase by 1.3 percent compared with 1985.

The enterprises, central departments, ministries, and other central and local bodies will take measures to strictly implement the principles of the new system for labor remuneration and for the distribution of the working people's incomes, to directly link working people's pay to the work done and the results obtained, and to implement the overall-contract system as the main form of labor remuneration in all economic units in industry, agriculture, construction-assembly, transportation, scientific research, technological development, design, and other sectors.

Article 31 -- All measures will be taken to further improve medicare and social assistance -- by placing particular emphasis on preventing illnesses, protecting the people's health, and raising the birth rate -- and to develop education, culture, physical education, and sports. Resolute steps will be taken to make maximum use of the material base of those sectors and to manage more efficiently the funds earmarked for sociocultural activities.

Article 32 -- Resolute steps will be taken to rationally distribute forces of production throughout the country, in accordance with the program-directive on regional socioeconomic development, and to implement the targets of the national program on planning the territory and urban and rural localities. Measures will be taken to fully utilize the resources of each county and area of the country and to harmoniously blend industrial, agricultural, and other socioeconomic activities; further steps will be taken to make maximum use of the land, limit to the minimum the areas earmarked for construction as well as the built-up areas, regroup scattered households, eliminate isolated orchards and vineyards placed in agricultural zones, and systematize the electrical, transportation, and telecommunications network; action will be taken to ensure better rural planning, by concentrating isolated villages and farms into large communes where new two-to-four story houses will be built on the basis of local architectural traditions, to ensure that a larger part of the plots of land allocated to each household will be used for gardening and other agricultural activities.

Article 33 -- In 1986, 140,000 apartments will be commissioned, of which 20,000 will be in villages.

Article 34 -- The Council of Ministers, as the supreme body of state administration, will periodically examine the implementation of the Uniform National Plan and will exercise strict control over the manner in which tasks are being fulfilled. Likewise, it will act resolutely to ensure optimal use of the economic potential of our country, profitable management of the national wealth, and greater order and discipline in all sectors. In this respect, it will ensure that the ministries, other central bodies, the working people's councils in central departments and enterprises, the executive committees of county people's councils and of Bucharest Municipality fully implement all provisions for 1986. At the same time, it will take steps to improve planning at all economic organizational levels in implementing and supervising the itemized production and exports, commissioning new units and attaining their planned parameters, raising labor productivity, reducing manufacturing costs, and increasing efficiency and profitability in all fields.

Article 35 -- The indexes of the Uniform National Plan for socioeconomic development of the SR of Romania for 1986 will be distributed among plan holders under a State Council decree.

Article 36 -- The performance of the 1984 Uniform National Plan of Socioeconomic Development of the SR of Romania, adopted under Law No 16/1983, is approved according to the communique of the Supreme Socioeconomic Development Council, the Council of Ministers, the State Planning Committee, and the Central Directorate of Statistics on the fulfillment of the 1984 Uniform National Plan of Socioeconomic Development of the SR of Romania, published in the Official Bulletin, Part III, No 6 of 1 February 1985.

LONG-TERM COOPERATION PROGRAM WITH CSSR REPORTED

AU181119 Prague RUDE PRAVO in Czech 14 Dec 85 p 7

[CTK Report: "Long-Term Program of the Development of Economic and Scientific-Technological Cooperation Between the CSSR and the SR of Romania up to the Year 2000"]

[Text] Prague (CTK) -- Gustav Husak, CPCZ Central Committee general secretary and CSSR president, and Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, signed a long-term program of the development of economic and scientific-technological cooperation between the CSSR and the SR of Romania up to the year 2000 in Bucharest on 12 December.

On the basis of the positive results that have been achieved in fulfilling the policy agreement on the basic directions of the development of the Long-Term Economic and Scientific-Technological Cooperation Between the CSSR and the SR of Romania of 21 May 1981, and in harmony with the conclusions of the CEMA economic summit of June 1984, this document contains further measures aimed at deepening and perfecting bilateral cooperation.

The objective of this long-term program is to contribute to the dynamic development of mutually advantageous, economic relations, enhance the efficiency of the two states' national economies as well as their people's standard of living, and strengthen cooperation among socialist states.

The realization of tasks arising from the long-term program will be a significant contribution to the further deepening of friendly relations between the CSSR and the SR of Romania.

This important document says, among other things:

The CSSR and the SR of Romania, fulfilling the stipulation of the Treaty of Friendship, Cooperation, and Mutual Assistance Between the CSSR and the SR of Romania of 16 August 1968 as well as the accords and conclusions adopted during meetings at the highest level;

guided by the wish to more effectively help to deepen, perfect, and develop economic and scientific-technological cooperation among the CEMA states;

bearing in mind their economic and scientific-technological potential and the level achieved in the development of mutual economic relations, and with the aim of contributing to increasing the efficiency of social production by making more efficient use of science and technology and fuller use of the advantages of the international division of labor among the socialist states;

wishing to ensure a permanent and long-term base for the development of economic and scientific-technological cooperation and the transition to a qualitatively higher stage of cooperation on the basis of mutual advantageousness;

adopted the following long-term program of the development of economic and scientific-technological cooperation up to the year 2000:

1. In accordance with the role of scientific-technological progress as the decisive factor for an intensive development of material production, in the interest of achieving higher labor productivity, rational utilization of energy and raw materials, substantially increasing the quality of products and their comparability with world standards, scientific-technological cooperation will develop in the following main directions:

The development of new and the perfection of existing technologies for a higher valorization [zhodnoceni] of sources of energy; saving fuels, including the utilization of secondary resources; the development of large-capacity and high-performance machinery and equipment for the mining industry; better utilization of metals in metallurgical production; the development of new types of agricultural machinery; means of mechanization and automation, industrial robots and handling devices, microprocessors and computers; the development of technologies and equipment for the production of new materials and synthetic fibers; cooperation in rationalization in handling the land fund; reduction of unfavorable influences on the forestry and water economy; research into improved biological methods and processes; and increasing the nutritional value of food products.

2. With the objective of contributing to ensuring the raw material, fuel, and energy base, the two sides agreed to cooperate in geological surveys, to perfect the technology of raw materials, extraction and processing; to utilize lower-grade types of coal; and to develop new energy resources and the appropriate production capacities. In the interest of better satisfying their needs in metallurgical products and materials, they agreed to deepen mutual relations in this sphere; further develop bilateral specialization; and cooperate in the optimal utilization of production capacities in improving and modernizing metallurgical installations, and in the introduction of new technological processes.

3. Taking into account the exceptional importance of the development of engineering, electrical engineering, and electronics for the further strengthening of the material-technological base of their national economies, the two sides will expand cooperation in the development and manufacture of new products of the corresponding world technological standard, which will ensure savings of energy, raw and other materials, human labor, as well as a high degree of processing of raw materials, comprehensive mechanization, and automation of production processes. The results of this cooperation will also contribute to a dynamic development of mutual goods exchange in the coming period.

Engineering cooperation will involve the production of units and structural components [celky a uzly] of investment equipment, machine tools, and forming machinery, metallurgical equipment, including equipment for coking plants, the production of power engineering equipment, mining equipment for mines and surface extraction, automobiles, construction and road-making machinery, production of ships, ship equipment and diesel engines, tractors, track [kolejove] vehicles, industrial fittings, and pumps.

In the electrotechnical and electronics industry, cooperation will be oriented toward the production of NC [numerically controlled] systems for machine tools, technological equipment for the electronics and microelectronics industry, communications equipment, for the optoelectronics industry, measuring and control instruments, as well as for the production of electronic consumer goods.

4. The objective of cooperation in the chemical and petrochemical industries is the better valorization of local and imported raw materials, the efficient utilization of existing and newly built capacities, as well as the expansion of the exchange of basic chemical products.

Particularly involved will be the continuation of cooperation in the production of C5-type polyisoprene rubber, pharmaceuticals, pesticides, organic dyes, auxiliary agents for the rubber and textile industry, ingredients for oils, and industrial fertilizers.

5. Cooperation in the light and timber-processing industry is to contribute to better satisfying the needs of the population, particularly through a more intensive introduction of technologies for achieving a higher degree of processing and valorization of raw materials, by ensuring the automation of production processes, modernization of technologies in the glass industry, particularly in the production of glass fibers, and through a better utilization of modern methods in the processing of wood pulp.

6. In the construction sector, cooperation will involve, above all, the rationalization and optimalization of construction processes and the production of construction materials, reconstruction, and modernization of industrial and sociocultural projects and apartments, and the introduction of new technologies in the production of construction materials.

7. In agriculture and the food industry, the two sides agreed to cooperate in the research and development of the cultivation of agricultural cultures, especially mutual exchange of seeds for fodder plants and vegetables. Joint projects are to contribute to increasing the soil's yield, improving the conservation and rational utilization of fodder, as well as the valorization of secondary raw materials, to the development of new technologies and the food industry's introduction of new products.

8. In transportation and communications, the two sides will strive to ensure favorable conditions for the transportation and transit of goods and travellers by making better use of the capacities of the railroad, road, and aviation transportation sectors, for expanding cooperation in the rational use of the potential of river transportation, including the Danube-Black Sea Canal, as well as for improving the teletype and telephone communications and mail services.

9. The permanent and dynamic growth of mutual goods exchange will continue, with the share of deliveries of goods manufactured under specialization and cooperation agreements and the share of products having high technological standards increasing the overall volume of the goods exchange to 40-50 percent.

The realization of mutual deliveries will take place on the basis of long-term agreements and annual protocols. Service and sales will be expanded and modern methods and forms of trading developed, including improving product advertising and support for a joint marketing of products, especially of those that are the subject of specialization and cooperation of production.

10. The two sides regard it as necessary to further increase the role of the coordination of national economic plans as the fundamental method for creating effective, mutually advantageous, and long-term relations in the sphere of science, technology, production, and foreign trade. For this reason, cooperation of their central planning agencies will be deepened when it comes to resolving important national economic tasks, determining the basic directions of the economic and social development of structures of the two countries' national economies, and their participation in the international division of labor.

The spheres and directions of economic and scientific-technological cooperation development can be complemented and expanded in harmony with the interests of the two states, and according to the development of their national economies.

The joint Czechoslovak-Romanian government Commission for Economic and Scientific-Technological Cooperation will organize work connected with the realization of the long-term program and adopt the necessary measures to assure its smooth course.

The relevant ministries and other central agencies of the two states will work out and agree partial branch programs which will determine in greater detail the content of their cooperation and specialization in research, development, production, and utilization in spheres of common interest.

For the fulfillment of the stipulations of the long-term program and the partial branch programs one will agree upon appropriate long-term accords, in which detailed conditions of cooperation, mutual deliveries, guarantees, as well as further obligations will be stipulated.

GREETINGS SENT TO INDIAN CP ON 60TH ANNIVERSARY

AU311421 Bucharest SCINTEIA in Romanian 26 Dec 85 p 5

[Text] To the Central Committee of the Communist Party of India [CPI]:

Esteemed comrades: On the 60th anniversary of the creation of the CPI, on behalf of the RCP and its secretary general, Comrade Nicolae Ceausescu, we convey warm comradely greetings together with our message of friendship and militant solidarity to you, all Communists, and working people in India.

The Romanian Communists and the working people in the SR of Romania are following with feelings of friendship the activity the CPI is carrying out dedicated to promoting the interests of the working people and the aspirations for social progress, the democracy, and peace of the Indian people.

At this point, the Romanian people -- closely linked with the RCP headed by its secretary general, Comrade Nicolae Ceausescu -- are engaged in the extensive activity of implementing the decisions and targets put forward by the 13th RCP Congress. At the same time, the Romanian people -- proceeding from the dialectical interdependence between domestic and international policy and considering that the fundamental issue of our time is halting the arms race, primarily the nuclear arms race -- consistently advocate and struggle to halt the aggravation of the international situation and to protect the people's and nations' supreme right to existence, life, freedom, and peace.

We express the conviction that the relations of friendship, cooperation, and solidarity between our parties will continue to develop and strengthen in the interests of the Romanian and Indian people.

Dear comrades, on this festive occasion we want to extend wishes for fresh and important success in implementing your party's program, and in the activity you are carrying out for the benefit, prosperity, and happiness of the Indian people and the cause of peace and understanding among peoples.

RCP Central Committee

LAWSUIT FILED BY TITO'S WIDOW 'IN POOR TASTE'

AU071802 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 7 Jan 86

[Milutin Milenkovic commentary "Damaging Lawsuit Over Comrade Tito's Inheritance"]

[Text] The final weeks of the last year and first days of this one have been marked by great global worries. Almost all governments and parties and all the world press seek the most detailed diagnoses possible and the most exact place possible for themselves in economic troubles, sociopolitical clashes, in racial, national, and religious confrontations, and particularly in the face of the ever-increasing use of violence as a means in international politics. In such a situation, many eyes are constantly observing events in Yugoslavia as well. Being an important factor in the sensitive European balance of forces, nonaligned Yugoslavia has Mediterranean, as well as global significance within the United Nations and the Nonaligned Movement. The grave internal situation has an inevitable effect on maintaining that role and that significance. Our friends often do not hide their concern, and those who are not friends increase efforts to break us apart.

In its struggle with deadlines, the entire delegate, assembly, social, and state mechanism of Yugoslavia was active day and night at the end of December, with a view to observing -- without imposing anything -- general needs and interests of the country in the economic and legislative-systemic sphere. There was much work, and much has been done. Development plan documents and some new bills of essential importance were adopted, and awareness was confirmed that we are all in the same boat that must not sink in the whirlpool of domestic disagreement and world violence.

This was an event worthy of not only domestic, but also universal response; foreign commentators and our own should have received rich material, arguments, and encouragement from the basic fact that Yugoslavia is capable of solving its troubles. Instead of that, an unpleasant lawsuit became the main news from those sessions and the most commented fact of those days. The late President Tito's wife has filed a lawsuit over his inheritance that includes, among other things, his decorations as well. Those were signs of recognition given to him from all over the world, even from the most distant countries, for his merits along the roads of freedom, independence, and progress.

News agencies' teleprinters are printing and announcers and commentators of world radio and television networks are telling the sad story about how even the brightest memory is betrayed. Someone who was personally closest, who must be considered most responsible for every personal act connected with Josip Broz's name, provokes countless reports and reviews which represent the best gift to opponents of Tito's personality and work. A review of foreign and even domestic commentaries shows surprise, feelings of unpleasantness, and even disgust over a court game in poor taste which is linked with the name of the greatest Yugoslav.

The damage thereby caused not only to the memory of Tito, but also to the preservation of his work still cannot be precisely assessed. However, regardless of legal regulations and the outcome of the court property lawsuit, the responsibility for this damage from a purely moral-political side is not and should not be questionable; it is unbecoming to every one of Tito's fighters, to any honest Yugoslav, and in particular to the one or two of those who were also personally closest to Tito, to give so much material for various and mass speculations mentioning Comrade Tito's name in the context of unshared wealth, and to do that out of personal benefit.

We all know, we have heard many times, and it has been written in several places, that Comrade Tito received recognition and presents as expressions of respect and devotion to his work, his country, and his fellow fighters; that is, to all those who liberated the country and defended its independent path. Those who saw in this a path to personal wealth did not measure up to his work and his life philosophy. Particularly every member of the Veterans' Federation and the LCY have a right to ask Jovanka Broz whether she is aware of the favor she is doing to all those people who want to devalue our common sacrifices, motives, and victories in which Tito was both our leader and our example.

DIZDAREVIC DEPARTS ON 4-DAY VISIT TO USSR

LD081115 Belgrade TANJUG in English 0930 GMT 8 Jan 86

[Text] Belgrade, January 8 (TANJUG) -- Yugoslav Federal Foreign Secretary Raif Dizdarevic left Belgrade by air this morning for Moscow for a four-day visit, at the invitation of Soviet Foreign Minister Eduard Shevardnadze.

During his visit to the Soviet Union, Dizdarevic and Shevardnadze will exchange views on current international problems and bilateral cooperation.

MAMULA ARRIVES IN ANGOLA, TO MEET DOS SANTOS

LD072058 Belgrade TANJUG Domestic Service in Serbo-Croatian 1934 GMT 7 Jan 86

[Text] Luanda, 7 Jan (TANJUG) -- Admiral of the Fleet Branko Mamula, federal secretary for national defense, tonight arrived in Luanda on a 3-day official return visit to the Angolan Armed Forces at the invitation of Colonel Pedro Maria Tonha, Angolan minister of defense. The two delegations will discuss possibilities for further expanding military and economic cooperation. During his visit to Angola, Admiral of the Fleet Branko Mamula will also be received by Jose Eduardo Dos Santos, president of the state and leader of the Popular Movement for the Liberation of Angola.

FINANCE SECRETARY RECEIVES U.S. AMBASSADOR

LD072214 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 7 Jan 86

[Text] Vladimir Klemencic, member of the Federal Executive Council and federal secretary for finance, today received John Scanlan, U.S. ambassador to Belgrade. They held talks about mutual economic cooperation, particularly financial and banking cooperation.

FEDERAL EXECUTIVE COUNCIL NOT TO SET SOME PRICES

LD080615 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 7 Jan 86

[Text] The prices of electricity, coal, oil and its derivatives, natural gas, railway traffic, and postal and telecommunications services for this year will not be set by the Federal Executive Council. They will be formed by organizations of associated labor in their associations, on the basis of common elements established in the medium-term plan. The prices of basic sorts of bread will be set on the basis of cost, the formulation of which has been established by the Federal Executive Council. This should be stated in precise terms by the Federal Institute for Prices by the end of the month.

PROCEEDINGS OF ASSEMBLY FEDERAL CHAMBER SESSION

LD272211 Belgrade TANJUG Domestic Service in Serbo-Croatian 0928 GMT 27 Dec 85

[Excerpts] Belgrade, 27 Dec (TANJUG) -- The Federal Chamber of the Yugoslav Assembly (at a session chaired by Dr Miodrag Trifunovic) today adopted conclusions on implementing the first stage of the long-term economic stabilization program and several other laws and decisions.

Today delegates also discussed the application of Article 25 of the pension law. It is necessary to say that in a preceding discussion the Federal Executive Council did not adopt an amendment proposed by 70 delegates that the application of the new article should start from 1986. It was explained that the material position of the economy at this moment does not make possible the application of Article 25 earlier than proposed by the Federal Executive Council. In this, it is pointed out that great efforts are needed to withstand a sudden increase in setting aside assets for the funds of pension and disability security. The Federal Chamber also adopted a group of laws for veterans' protection.

The Federal Chamber today also adopted amendments to the law on the bases of old-age and disability pensions. Under the adopted changes Article 25 of this law will come into effect on 1 January 1987. Under this article the basic pension will be determined on the basis of the most favorable personal income average over the last 10 (and for war veterans 5) consecutive years of work.

Delegates also conducted a brief debate on the Federal Chamber's conclusions regarding the report on the implementation of the first stage of the long-term economic stabilization program. The conclusions were explained by Huso Radoncic, rapporteur for the working group and chairman of the Committee for Socioeconomic Relations. He also referred to some specific proposals made at the last session of the Federal Chamber, such as those related to the recalling of delegates, the rights of senior officials, relations with the IMF, and so forth.

Delegate Batric Jovanovic said that the text of the conclusions does not reflect the course of the debate conducted at the Federal Chamber session. For instance, the statement that "we have so far failed to achieve satisfactory results in implementing the stabilization program" is unrealistic since, in his view, the results are totally unsatisfactory. The best evidence for it is this year's inflation rate of 80 percent. In countries with market economies an inflation rate of more than 5-7 percent causes concern. In addition to all the problems, Jovanovic said, we are faced with the intensive stratification in society, that is, an impermissible widening of unjustifiable social differences in the country.

On the basis of the debate conducted at the session, the Federal Chamber today adopted the conclusions on the implementation of the first stage of the long-term economic stabilization program. The conclusions state that as a result of not only the unfavorable economic situation, but also of sluggishness, vacillation and resistance, there has been no satisfactory progress in carrying out the tasks as set by the document.

In the Federal Chamber's view many attempts have been made at retaining the existing positions, while a bad effect has been caused by the fact that the tasks have not been carried out in a synchronized manner and by delays in adopting new systemic measures and specific resolutions, measures of anti-inflationary character in particular.

In the conclusions, the Federal Chamber also stresses that it must share blame for unsatisfactory results because it failed to intensify its activity and to contribute, in keeping with its constitutional tasks, even more to the development of common interests. It is stated in this connection that the Federal Chamber is faced with major tasks of monitoring the implementation of systemic laws, agreements and conclusions, but attention is also drawn to the tasks of other factors responsible for the realization of the long-term program's requirements. The text of the conclusions contains a long list of the tasks.

In view of the fact that the next year will mark the beginning of implementing the medium-term plan, and that it will be the year of significant political activities, the Federal Chamber stresses the need for full mobility if the systemic solutions and the development policy are to be implemented consistently and efficiently. It is the Federal Chamber's task to establish the rules governing the implementation of the plan, the resolution, and the budget and to monitor, in conjunction with other bodies, the way in which the laws are being enforced.

The Federal Chamber continued the session by adopting the resolution on the further development of scientific and research work in Yugoslavia. The resolution points to the need for faster development of science as a significant production force in society. The resolution proceeds from the view that in the last 10 years the development of scientific and research work has considerably decelerated, and that science's contribution to society's overall development has been unsatisfactory. In addition to inadequate material potentials, this happened as a result of the absence of a long-term policy on the country's scientific and technological development and of the practice in the development that neglects the role of work results in determining people's status in associated labor.

In her interesting statement, Stefica Bahrijarevic stressed the importance of the resolution for the country's development and called on all the relevant institutions to invest maximum efforts at implementing the document. This, she emphasized, should be done not because of the resolution but because of the need to promote knowledge as a factor that could contribute to our efforts to solve economic and other problems affecting our society.

The Federal Chamber today adopted the law on posts and telecommunication services. The committee's rapporteur, Tanja Holjevac-Koren, when expressing the delegates' view, said that the law is outdated because it does not take into consideration the new modern technological developments in telecommunications. The law's proposer has thus promised to include all the innovations in telecommunications in the law on the communication system which is being drafted.

The Federal Chamber endorsed the Federal Executive Council's report on the pollution of the River Sava by mineral oils as well as a report by a group of experts which deals with those responsible for polluting the river. The Federal Chamber positively assessed the efforts to establish who was most responsible for polluting Yugoslavia's longest river. The report will be submitted to the executive councils of the republics in the Sava basin and of Vojvodina so that necessary measures can be taken to prevent any further pollution.

During the morning, delegates adopted the draft program of the chamber's work in 1986 and also ratified some of the international agreements which were previously ratified by the Chamber of the Republics and Provinces at its last session. During the debate on the work program, the need was stressed for continuity in the SFRY Assembly's work so that delegates entering the assembly after the May elections may successfully tackle the work started during the present term.

Since the work on coordinating the volume of the 1986 federal budget has not been completed in the committees of the Chamber of the Republics and Provinces, the Federal Chamber adjourned the session at about 1800. Delegates agreed to resume the last session of this year tomorrow (28 December) at 1200.

Adopts 1986 Federal Budget

LD282029 Belgrade TANJUG Domestic Service in Serbo-Croatian 1615 GMT 28 Dec 85

[Text] Belgrade, 28 Dec (TANJUG) -- The Federal Chamber resumed yesterday's session this afternoon. The chamber had to wait for the session of the Chamber of the Republics in order to adopt the federal budget for 1986. According to the SFRY Constitution, the Chamber of the Republics and Provinces is responsible for establishing the volume of expenditure of the federal budget, the essential condition for adopting the federal budget in full.

The federal budget for next year amounts to 1,103 billion dinars. Out of this sum 765 billion dinars is slated for the needs of the Yugoslav People's Army; 115.4 billion for the protection of veterans and war invalids; 72.5 billion for Army pensions, and 88.2 billion for supplementary funds for undeveloped republics and Kosovo, while 71.6 billion dinars will be spent on the work of federal organs.

As proposed by the Budget Committee, the Federal Chamber adopted a resolution, according to which it will be the duty of the Federal Executive Council and the SFRY Assembly to examine, in the first half of next year, the responsibilities of all budget beneficiaries and propose changes in appropriate laws.

The Federal Chamber also adopted this year's second rebalance of the federal budget to the value of 7.2 billion dinars. This actually means that supplementary funds for undeveloped republics and Kosovo are increased. Out of 7.2 billion dinars 2.056 billion dinars are earmarked for this province.

CHAMBER OF REPUBLICS, PROVINCES HOLDS SESSION

LD282320 Belgrade TANJUG Domestic Service in Serbo-Croatian 1532 GMT 28 Dec 85

["Session of the Chamber of Republics and Provinces" -- TANJUG headline]

[Text] [dateline not received] The 1986 resolution adopted today singles out the main tasks as the significant reduction in inflation, the acceleration in the growth of production and exports, the ensuring of foreign liquidity, the increase in labor productivity and the living standard, and the implementation of the financial consolidation of the economy.

In order to ensure economic recovery, a growth in the social product of at least 3 percent is planned. Industrial production will likewise grow 3 percent, and agriculture 8 percent. Bearing in mind the importance of exports for overall stabilization, it is envisaged that they will grow by 5 percent. In addition to all this, a growth in labor productivity by 1 percent, investment by 2 percent, and employment by approximately 2 percent is planned. It is estimated that this will create the conditions for a 2-percent growth in the living standard. An important goal is considered to be the generation of a surplus in the balance of payments of at least \$880 million and the maintenance of the foreign currency reserves at this year's level.

Credit-monetary policy measures, as they stand in the resolution, will function alongside anti-inflation policy and the strengthening of the economic conditions of economic activity. Changes in the system and policy of taxes and contributions will be carried out in accordance with the stabilization program, a more active social policy will be conducted, and measures will be taken for the rationalization of all forms of consumption and its harmonization with the real scope of society. The development of small businesses should be stimulated by economic measures. In housing -- in order to revitalize housing construction -- a start will be made with the introduction of realistic rents, with subsidized rents for households with a low income. In investments, the construction of already-started buildings will be accelerated, where this is economically feasible, and work will be stopped on those that have no prospect.

Adopting the resolution, the chamber also accepted several conclusions prepared in working bodies which coordinated stances in connection with this document. In its conclusion the Planning Committee, for example, stresses that the Federal Executive Council in January 1986 should propose measures for implementing the anti-inflation policy and other goals set out in the resolution and the medium-term plan.

On the occasion of the adoption of the 1986 resolution Azen Hajdini, head of the Kosovo delegation, made a statement emphasizing that the delegation of this province considers that, with this document of development, a series of stances have been approved that will contribute to the further development of Kosovo. In Kosovo, he said, there is a readiness to make use of available potential as far as possible in order to realize the tasks mentioned, and he added that it is important to speed up the adoption of measures which will contribute to the solution of a series of Kosovo's problems.

The Chamber of Republics and Provinces today adopted the total volume of federal budget expenditure for next year, which amounts to 1,103 billion dinars. Of this, 663.7 billion will be secured from source [izvorni] incomes of the federation (basic turnover tax, duties and other import levies), and 439.6 billion from contributions of the republics and provinces. The federal budget for 1986 is bigger than this year's; it is a budget that has more than doubled in size, by 60 percent, and it will amount to 6.7 percent of the social product.

With its conclusion, the chamber has obliged the Federal Executive Council to evaluate the realization of the source incomes of the federation by the end of next February and reduce the contributions of the republics and provinces, if this estimate is bigger than the one on whose basis the budget has been approved.

At today's session the volume of the second rebalance of this year's federal budget, which amounts to 7.2 billion dinars, has been approved. The federal budget for 1985 has thus been rounded up from 609.6 to 697.4 billion dinars and is 78.4 percent bigger than last year's.

The additional 7.2 billion dinars are intended for the supplementary funds for the underdeveloped republics and Kosovo, because general and common consumption in the country in 9 months has grown by 78.6 percent. The Chamber of Republics and Provinces concluded last year that supplementary funds during the course of the year would increase (the rebalance) if general and common consumption grows more than 44.9 percent. With the rebalance, supplementary funds are increased up to the rate of 60 percent, and their final sum is 59.9 billion dinars. The federal budget for this year envisaged that these funds would amount to 50.6 billion dinars. The rebalance will be covered by contributions of the republics and provinces, because the original [izvorni] revenues of the federation, owing to a shortfall in duties, cannot be used for this.

The chamber today adopted a law on exemption from customs duty and foreign tax any imported equipment and raw materials needed for the 14th Univerziade Games in Zagreb. This law exempts from duty and other tax imported equipment which is not produced in the country or which is produced in small quantities and up to a specific value.

The law also allows a temporary import of sports gear and other goods imported by the organizational committee of the games. The committee is exempt from paying duty and import tax on gifts and goods received for advertising. Also exempt are the numbers of the Yugoslav Radio and Television as far as the import of specific equipment for the need of television centers is concerned. The law also envisages the opening of duty-free shops selling goods to foreigners for the duration of the games and establishes where these shops are to be located.

Also adopted today are addenda to the law on covering exchange rate differences which take place by 31 December 1984. The validity of the law is practically extended to this year, and the covering of exchange rate differences which occurred this year is restricted at the expense of the future revenue to the period of 14 years.

The Chamber of Republics and Provinces today adopted a law on the postponement of the return of annuity for credits given to Kosovo work organizations from the federation fund for the crediting of a speedier development of underdeveloped republics and provinces, which fall due on 1 January 1986.

According to this law, the deadline for the return of annuities is the end of 1990. If this is not achieved the Yugoslav social accountancy service will transfer relevant funds from the budget of Kosovo for the benefit of the federation fund. The law obliges republics and provinces to give an interest-free loan to the fund in proportion to their participation in these annuities and of the same amount as the postponed annuities.

At the end of the session of Chamber of Republic and Provinces ratified the agreement between the SFRY and Sri Lanka on avoiding double tax with regard to income tax and property tax. The chamber also established a law on amendments of and addenda to the law on the postponement of the return of the equivalent value in dinars in keeping with the federation's obligations towards foreign countries in 1985.

Also adopted today is a resolution on the establishment of balance of payments projection in Yugoslavia for 1986, and a resolution on the goals and joint bases of credit policies in the next year. The chamber approved conclusions in connection with proposals for the general pooling of building contractors and construction supply industry in Yugoslavia in order to set in motion a procedure for assessing the constitutionality of some law articles on the system of the social control of prices.

At the end of the session of the chamber adopted the work program of this Assembly's chamber for 1986, and the work plan for the first 3-month period of next year.

Srebic Report

LD280340 Belgrade TANJUG Domestic Service in Serbo-Croatian 2144 GMT 27 Dec 85

[Excerpts] Belgrade, 27 Dec (TANJUG) -- When preparing the social plan for Yugoslavia as an instrument of the common development policy, we have included the coordination of this chamber's positions.

We have borne in mind above all the difficulty and complexity of our economic situation and the indispensable need for establishing the right way out of social and economic crisis, on the basis of the long-term program of economic situation. This way leads us through the confusion of difficult economic problems which, taken together, constitute material and other contradictions which we cannot overcome at the present moment. Borisav Srebric, vice president of the Federal Executive Council, said at the beginning of his report.

Our present economic situation contains very negative characteristics: first, very slow adaptation of our economy to the indispensable need for an increase in economically rational export; second, the exceptionally small accumulative capacity of our economy, which determines the material limits of the overall development capacity; third, the existence of large deficits, which are the result of inflationary economic activity and behavior over a long period of time in the past and which in almost a dramatic way threatens the entire monetary and financial system; fourth, the pressure of high inflation with numerous destructive consequences; and fifth, the high pressure of unemployment.

Faced with such a situation, we must ask ourselves a question: Are we capable of accepting and can we accept economic problems and difficulties as a development challenge? The answer to this question must be a positive one. Our society has the ability and strength to build an active development policy and to begin a struggle for its effective implementation, on condition that it overcomes ideological contradictions that hamper the adaptation of the political and economic systems to the demands of the effective realization of the long-term economic stabilization. The economic success of socialist self-management should be the aim of these changes. Srebric says.

In connection with this, the question arises of how realistic the SFRY's proposed social plan is. The planned rate of growth of the total social product is half-way between the present tendency and the growth rate that would ensure a speedier way out of economic crisis.

Essential prerequisites on which the proposed development concept is based are: radical systemic changes in keeping with the long-term program of economic stabilization and the effective functioning of the economic system of socialist self-management; the financial consolidation of the organizations of associated labor necessary for the speediest possible introduction of financial discipline without which there can be no economic efficiency of socialist self-management and competitive export-orientated production; the effective anti-inflation policy which would reduce inflation by a fixed deadline; the effective planning in associated labor and the effective use of every modest means for the financing of expanded production.

There is no doubt that the above prerequisites are of fundamental importance. We can say that we have not yet established them in their entirety and the unrealistic aspect of the social plan for Yugoslavia is of a transient nature, in Srebric's view.

In the Federal Executive Council proposed measures are being prepared for the financial consolidation of associated labor organizations and the financial system as a whole. I must emphasize, however, that too much is expected of these measures. Such expectations were the stumbling block when it came to coordinating the stances of the assemblies of the republics and provinces on the draft social plan for Yugoslavia in this chamber. Measures for the financial consolidation of associated labor organizations are not a magic wand with which we can quickly and easily resolve all the financial problems of all associated labor organizations so that they may continue to operate as they have done so far.

Many people in leading positions reduce financial consolidation to measures of society. To reduce financial consolidation simply to financial operations would have an exclusively inflationary character. Measures of this kind can only be a support to capable organizations of associated labor so that they can endure the economic conditions and criteria for doing business. These imply the abandonment of unprofitable production or liquidation.

We cannot overcome inflation within an acceptable period of time if the entire economic policy, reliant on economic and systemic changes and the development policy, is not anti-inflationary and if we put off the application of economic criteria for doing business. We must proceed from the awareness that the destructive action of inflation has already become intolerable.

The social plan for Yugoslavia, the very nature of our system of planning, is not and cannot be a total plan. The content of this plan cannot be based on any other extreme -- that is, it cannot be a nonobligatory framework for overall development.

The development concept of the social plan for Yugoslavia consists of six strategies: the strategy of the development of the export-oriented sector of the economy and economically equal and stable further inclusion of our economy into the international division of labor, which should be a springboard for the development of the entire economy; the strategy of our own technical development, without which it would be impossible to develop the overall forces of our society in an economically, rational way; the strategy of the development of agriculture, which should considerably contribute to the economic stabilization; the strategy of development and economically rational use of energy; the strategy of the development of transport as a general framework for the rational development of the economy as a whole; and the strategy of the consolidation of the defense capacity of our country.

We can certainly make an assessment that the above-mentioned strategies are not yet working perfectly. Here I have in mind, above all, the fact that we must not stop only at an orientation about the development goals. This orientation must be turned into a consistent development policy, including economic-political frameworks and instruments for the implementation of this policy.

The strategy of further inclusion in the international division of labor cannot be complete if it does not rely, in the right way, on the development capacities of associated labor organizations, which can withstand the criteria of the world market. The development policy in the proposed social plan for Yugoslavia proceeds precisely from these criteria. Changes in the economic system and economic policy measures should create conditions and secure the respecting of these criteria in economic activity and development practices.

The Federal Executive Council will soon propose a special document on the technological development strategy. Our overall economic development cannot be successful or based on the economic effectiveness of socialist self-management without intensifying our own technical development. For this reason the document on the technological development strategy will also contain measures for implementing this strategy, as the component parts of the social plan for Yugoslavia.

The strategy of the development of agriculture on the level of the country consists of four essential factors: the policy of subsidy to the factor of agricultural production, the policy of crediting, the policy and mechanism of prices and the organizations for the agricultural market, and interventions on this market. At the very beginning of the realization of the social plan for Yugoslavia we must ensure that the measures for the development of agricultural production become operative and effective.

The strategy of the development and rational use of energy and the strategy of the development of railways should be built into joint development plans. Necessary conditions should be created for the implementation of these joint plans on the basis of the social plans for the republics and provinces, Srebric said at the end of his report.

Chamber Adopts Plans

LD281242 Belgrade TANJUG Domestic Service in Serbo-Croatian 2242 GMT 27 Dec 85

[Excerpts] Belgrade, 27 Dec (TANJUG) -- The Chamber of Republics and Provinces met late this evening in the SFRY Assembly. This was the continuation of the session of this Assembly chamber which began on 21 December and was then interrupted because coordination in the committees had not been completed concerning the proposal for the social plan of Yugoslavia for the period 1986-90 and two laws relating to the underdeveloped: The law on funds from the federal fund for crediting the more rapid development of the economically underdeveloped republics and Kosovo, and the law on additional funds for the underdeveloped.

After several weeks of exceptionally intensive work on the coordination of these important plan documents and laws, the committees succeeded in agreeing on the 5-year development plan to 1990, and the two laws relating to the underdeveloped. The pre-conditions were thereby created for this voluminous task, which has involved all the Chamber of Republics and Provinces delegates this autumn and winter, to be completed.

It only remains for the Chamber of Republics and Provinces to establish the text of the resolution for 1986 on 28 December, and for the Federal Chamber to adopt the federal budget for the coming year and the rebalanced federal budget for this year. Delegates can then take a break.

The medium-term plan for Yugoslavia for 1986-90, which was adopted this evening, sets out the basic development policies established in the long-term economic stabilization program. The new plan is based on the assessment that the existing economic difficulties can be successfully overcome if the overall socioeconomic development, oriented toward increased production and exports, is founded on the maximal utilization of available potential, increased productivity, redirection of the economic structure, and an energetic fight to lower inflation.

All the difficulties which will have to be faced in the coming 5 years are clearly expressed, as is the fact that the planned goals can only be achieved by respecting the economic criteria and the development of self-management. It is also necessary to halt the decline in the efficiency of economic activity, and on this basis to increase employment and improve the living standard of the population, which will number 23.7 million in Yugoslavia by 1990. Of this number 15.4 million will be capable of work.

The real social product of the total economy should grow at an average rate of about 4 percent per year. Industrial production should increase by 4.5 percent and agricultural production by about 5 percent.

In 1990, according to the plan, more than 6 million tons of wheat will be produced, 15 million tons of corn, and 1 million tons of sugar.

In order to strengthen the country's export orientation and the position of the economy in the international division of labor, the annual growth of exports should be 6 percent, and imports 5 percent. It is estimated that the extent to which imports will be covered by exports will be 90 percent, that the foreign exchange earnings from tourism will reach \$2.1 billion, and that by 1990 only 25 percent of foreign exchange earnings will be assigned to debt repayment.

It is also envisaged that there will be a more rapid development of small-scale industry, which is identified in the new development document as an important opportunity for alleviating the problem of unemployment and other economic difficulties. Conditions and measures for achieving greater efficiency and streamlining in the transportation sphere, and for the development of science and its broader application are also outlined.

Particular attention is devoted to the more rapid development of the underdeveloped republics and Kosovo, as well as to the consolidation of the system of all-people's defense and social self-protection.

The Chamber of Republics and Provinces also adopted the law on funds from the federal fund for crediting the more rapid development of the underdeveloped republics and provinces for the period 1986-90, and the law on additional funds for the republics and provinces in the coming 5-year period.

According to the law on funds from the federal fund, resources will be created by allocating 1.56 percent of the estimated social product of Yugoslavia. The pooling of labor and resources will secure 60 percent of the monies, while the remainder will be made up from the compulsory loan which work organizations will contribute to the underdevelopment of republics and Kosovo. For the more rapid development of Kosovo, as a particularly underdeveloped region, one half of the funds will be secured by pooling, and the other through the compulsory loan. A new feature of the law is the decree whereby funds intended for pooling which are not pooled by the end of the coming year, are repaid as a compulsory loan. Their repayment begins at the end of the third year from their becoming a loan. A difference from the old law is the fact that monies from the fund will be paid into the banks of the underdeveloped republics and Kosovo every 6 months instead of once a year. Also there is a difference in the basic rate, which is reduced from 1.86 to 1.56 percent. The new law also alters the percentage for pooling, which is now 10 percent greater than the loan.

Under the law on additional funds it is laid down that the republics and provinces which cannot finance social and other services with their own resources will be guaranteed additional funds. These will be established over the next 5 years at 0.53 percent of the estimated social product of Yugoslavia.

From the total additional funds, as envisaged by the law, 0.091 percent of the country's social product will first be allocated for the development of the material bases of the social services in Kosovo.

Likewise, 0.020 percent will also be allocated in the same way to Montenegro because of its specific position as a republic with a small population.

Interest Rate Policy Set

LD272154 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 27 Dec 85

[Text] Belgrade, 27 Dec (TANJUG) -- Interest rates policy next year will be determined in accordance with the expected growth in inflation. If there is a discrepancy between the two, interest rates will be adapted to real trends in the economy. In January a comprehensive solution for conducting a realistic interest rates policy will be prepared. At the same time, measures for the financial consolidation of the economy and the suppression of price rises will be proposed.

This is the essence of the solution in the resolution on the economic and social development of the country and on interest rates policy which delegates of the Chamber of Republics and Provinces of the SFRY Assembly Credit and Monetary System Committee unanimously adopted when they agreed on this stance, about which there has been most dispute to date. Agreement was also easily reached on other open questions. With this the Credit and Monetary System Committee completed its agreement-reaching on this part of the draft resolution.

Participating in today's discussion, Radovan Makic, governor of the National Bank of Yugoslavia, stressed that the policy of realistic interest rates as an instrument in combatting inflation cannot give the expected results unless conditions for the greater operation of economic laws and market criteria are created in all monetary and nonmonetary sectors. Changes in the system and current development policy must be capable of changing people's behavior.

If everyone continues as before, including in respect of financial consolidation, then the desired effects will not be achieved, not only in the implementation of an anti-inflation policy but also of other goals of our current economic policy, Makic warned.

Financial consolidation should not be seen as a movement or campaign of action. It must lead to a change in the behavior of the economy by economic compulsion. If the opposite, we lay ourselves open to the danger of simply revitalizing existing weaknesses. There will not be money for all, and it should be clearly said that many organizations will not survive.

The aim of the National Bank of Yugoslavia is to complement the anti-inflation mechanism designed to suppress the growth in prices and thus influence interest rates, Makic stressed. The mechanism itself must lead to a restructuring of the economy, replacement of programs, innovation, and the abandonment of all that has no prospect. The reproduction of deep financial disturbances cannot be permitted. There is a great danger that there will be no time to rectify things without also jeopardizing the realization of the stabilization policy.

VOJVODINA'S KRUNIC CONDEMNS NATIONALISM

LD171002 Belgrade TANJUG Domestic Service in Serbo-Croatian 1740 GMT 16 Dec 85

[Text] Zagreb, 16 Dec (TANJUG) -- "It is not just the irredentist movement which can be described as counterrevolutionary: so, too, is greater-Serbian nationalism and the aggressive revival of Ustasha ideas about the "foul-smelling southerners" which appeared in some nationalist-oriented articles published in Slovenia". This was stated by Bosko Krunic, member of the Presidium of the Vojvodina LC Provincial Committee, in an interview to the Zagreb weekly DANAS.

Krunic stressed that today our society is confronted by the need to deal harshly and publicly with nationalists and to make opposition to nationalism a public political act within the Socialist Alliance, the youth organization, the trade union organization, the war veterans organization... [ellipses as received] since the battle against nationalism cannot be the sole responsibility of the state organs.

"Some still see nationalism in terms of a smaller or greater number of incidents. However, it would not be an exaggeration to say that we are faced here with a dangerous rise of a reactionary mind. The problem becomes even more serious given the fact that lasting social difficulties eventually become a good "conductor" of nationalist ideas and that some individuals and groups are establishing contacts with counterrevolutionary centers abroad. There is nothing innocent or naive in all this", Bosko Krunic said.

It reply to a question concerning the thesis which maintains that, in Yugoslavia, mother nations should be responsible for their members dispersed throughout the country, Krunic said that theses like that one are not harmful for that nation alone, or the country itself, but for our relations with other countries as well. They are the same as the nationalist idea about the need to care for members of their own flock wherever they may be living. "If any of the nations was given the right to patronize, that would lead to a chaos which would inevitably result in nationalism and, in the extreme case, in the centralist model of imposed equality," Krunic said.

Krunic also put forward his view of the problems and disagreements within the Socialist Republic of Serbia. Speaking about the LCY Central Committee Presidium's stance related to the implementation of the concept of unity in Serbia, Krunic said that the stance will not change anything unless great efforts are made to implement them consistently and communists' responsibility for their realization heightened. This document is analytical and comprehensive and -- and this is very important -- was adopted unanimously. It calls for a behavior more responsible than ever before in our political practice and obliges the LC members, organs, and organizations to invest immediate efforts to implement the stance. However, it also urges us to oppose all those whose behavior runs counter to the stance, to the constitution, and to the LCY statute. This is what factionalism is all about, Krunic said.

MACEDONIA'S INTERIOR MINISTER WARNS OF 'ENEMIES'

AU031642 Belgrade BORBA in Serbo-Croatian 18 Dec 85 p 3

[Excerpt] Skoplje, 17 Dec -- In recent years in Macedonia, as well as in the rest of the country, we have been confronting the state of security's negative characteristics, which are showing us how complex it has become.

This was stated at the session of the Macedonian Assembly by Ljubomir Varoslija, the republic's secretary for internal affairs. He stressed that the current socioeconomic conditions and tense international relations are creating room for more intensified work by the external and internal enemy, who is attacking more and more emphatically the socialist self-management, the personality and work of Comrade Tito, and the LCY.

Talking about hostile activities from the nationalistic point of view, Varoslija said that the work of Albanian nationalism and irredentism has become pronounced, and that ever since the start of counterrevolutionary events in Kosovo we have been confronting these occurrences daily.

The activity of eight illegal groups with 215 members has been discovered and put out of action; in 194 cases there were hostile slogans; other cases involved the distribution of leaflets, and other material with a hostile content. Ten individuals from the SR of Macedonia have been arrested. They belonged to the recently apprehended hostile organization which was formed in the Socialist Autonomous Province of Kosovo. The task of this group was to form a Kosovo republic which would include parts of the SR of Macedonia and the SR of Montenegro, and then to unite with the people's Socialist Republic of Albania.

"These facts show that we shall be confronting the work of Albanian nationalism and irredentism for some time. Long-lasting indoctrination, conducted particularly among a certain number of young people of Albanian nationality, permanent links with and support from abroad, as well as the coordinated work of Albanian nationalism and irredentism which is widely spread in parts of Yugoslavia, all show that we have before us an enemy with well planned long-term irredentist aims", Varoslija said.

Macedonian nationalism has recently become more pronounced, too. The main thesis of Macedonian nationalists is that Yugoslavia does not sufficiently take into account the interests of the Macedonian nation in conducting its international policy, that the SR of Macedonia does not have equal treatment within the Yugoslav community, and that the Macedonians are threatened by people of Albanian nationality.

MONTENEGRO LC CRITICIZES NATIONALIST WRITINGS

LD170051 Belgrade TANJUG Domestic Service in Serbo-Croatian 1545 GMT 16 Dec 85

[Text] Velisav Vuksanovic, secretary of the Presidium of the Montenegro LC Central Committee, stressed in an explanation of the draft report on the activity of the Montenegro LC since the last, eighth, congress, that nationalism is increasingly becoming the banner under which all antisocialist forces and ideologies are grouping. Vuksanovic pointed out that the Montenegro LC Central Committee and its Presidium had several times clearly assessed and energetically opposed the proponents of Montenegrin, great Serbian, and other forms of nationalism as well as clericalism in social life, in some of the public media, in historiography, in journalistic writing, and in some scientific gatherings. He said that although the Montenegro LC also adopted a clear position regarding nationalism at its recent session when it discussed the development of culture in the republic, in some books the Montenegrin nationality is still being negated, while in some literary journals there are increasing assaults based on the great Serbian positions. He added that the stands of the Montenegro LC on the national question are underrated and ignored.

It is also becoming noticeable, Vuksanovic said, that some journalists are going around Montenegro as specialists and "hunters for weaknesses and people's minds", [as received] while the so-called tabloids are publishing, with no responsibility, utterly politicized, sensationalist and unobjective writings on the state of affairs and events in Montenegro. According to Vuksanovic, critical, principled, and truthful writing on weaknesses in Montenegro abounds and has always been supported and encouraged; it has had an effect upon the opening up of the sources of information and on making fully public the work of all organs. He said: We have reacted against the manifestations of unobjective writings on Montenegro, but these attempts have not yielded desired results. Responsibility for such writing is borne primarily by the editorial staff which publishes such tests; and it is absurd that they justify doing this by evoking the notion of freedom of information.

In a discussion on the draft report, Svetozar Durutovic commented on the text of a reply by Svetozar Vukmanovic-Tempo that was published in the book "Yugoslav Patriotism Today" [Jugoslavensko Rodoljubno Danas], which was printed after a discussion at this year's September symposium in Ivangrad. Durutovic recalled that at the Ivangrad meeting Tempo had complained that the publication of his books had been disrupted or inadequately organized, and even that the Montenegro LC opposed the publication of his books; he added that they had been boycotted in the public media. In this regard Durutovic called attention to the fact that some groups of individuals had recently started a campaign to morally and politically evaluate the Montenegro leadership. He mentioned the literary newspaper KNJIZEVNE NOVINE, which, according to him, in a crude and fierce way had evaluated the Montenegro leadership and its Central Committee. We would be fatally superficial if we were to remain indifferent to all this, Durutovic said. He stressed that neither Communists, nor all socialist and humanitarian fighters should for a single moment lose from sight the fact that we are struggling for the progressive steps which are possible today not just in the terms of the ideas, wishes, and visions of the future, but also in light of the realistic relations of social forces. If we do not keep this in mind we will find ourselves in the area of subjectivist and arbitrary assessments of a sterile criticism, he said. Durutovic added that obviously not every activity of revolutionaries is revolutionary. "With such tactless and arbitrary criticism, Comrade Tempo could not move a single lever in social practice on which social progress really depended, in a democratic sense," he said.

Marko Orlandic, president of the Montenegro LC Central Committee, also stressed various improper roll calls, even open attacks on the Montenegro leadership from various unacceptable positions. According to Orlandic, such ideologically and politically inadmissible manifestations are motivated by attempts to create some kind of a sensationalist atmosphere. Even the fabrication of facts is not found to be an obstacle, he said.

While pointing out his reluctance to do so, Marko Orlandic commented upon some assessments by Comrade Tempo on the state of affairs, events, and personalities in Montenegro put forward in the book "Yugoslav Patriotism Today" from the symposium in Ivangrad. According to the minutes, Svetozar Vukmanovic did not say what had been attributed to him, but he subsequently introduced such material into his published text.

Marko Orlandic added: "It is not clear to me what actually motivated him to take this step. We can forget for a while that Comrade Tempo assumes the right to be the only one who can assess what is or is not the line of the LCY program. But it is impossible to forget that this is an incorrect and unacceptable qualification. Unfortunately, because of all this the fact remains that he has essentially provided grounds for the impression that he as well has joined the roll calls and attacks on this party leadership, the sort of things which mostly come from another sort of environment and from other motives."

Orlandic pointed out that it is not just this one, really strange act of Comrade Tempo, but also his most recent memoirs which must provoke questions and cause confusion. Tempo's assessments of the state of affairs, events, and personalities from the recent past of the Montenegro LC and Montenegro will not be able to avoid the judgment of scientific criticism or of political and broader public circles, the president of the Montenegro LC Central Committee stressed.

LATE REPORT: REAGAN'S PRESS CONFERENCE ON LIBYA

AU081103 Belgrade Domestic Service in Serbo-Croatian 0900 GMT 8 Jan 86

[Text] At the press conference that was directly carried by the television networks, U.S. President Reagan accused Libyan leader Colonel al-Qadhdhafi of financially supporting terrorist groups, such as the one that perpetrated massacres at the Rome and Vienna airports, and of giving them refuge in his country.

At the same time, he called on Western allies to join Washington in the effort to completely isolate Al-Qadhdhafi's regime. Reagan also said that he had also left the door open to undertaking military actions against the Libyan Jamahiriyah if it failed to stop helping terrorists. The head of the White House also signed a decree whereby U.S. firms and citizens are forbidden any trade or business with Libya and sea and air connections, credits, and banking operations are abolished. The decision comes into effect immediately and must be implemented by 1 February at the latest.

President Reagan reiterated the U.S. stand toward the PLO, pointing out that it is impossible to accept its participation in peace negotiations until it recognizes Israel. Reagan added that one should find a solution for the Palestinians who are living in exile, particularly in Lebanon.

Further on Press Conference

LD081431 Belgrade TANJUG Domestic Service in Serbo-Croatian 0601 GMT 8 Jan 86

[Text] Washington, 8 Jan (TANJUG) -- After 10 days of a euphoric campaign against Libya, accompanied by verbal threats and U.S. warship movement in the Mediterranean, President Reagan last night announced that the United States is introducing a strict economic boycott against that country, at the same time asking other nations, especially U.S. Western allies, to join Washington in an effort to isolate Colonel al-Qadhdhafi's government fully.

"If these measures do not put an end to Al-Qadhdhafi's terrorism," Reagan threatened during last night's press conference in the White House, "I promise you that further steps will be taken."

Ronald Reagan today signed a decree that bans U.S. firms and citizens from engaging in any sort of trade and business with Libya and cancels all sea and air communications, credit lines, and banking operations. The decree comes into force today and must be applied by 1 February at the latest. Reagan also called on the 1,000 to 1,500 U.S. citizens in Libya "immediately to leave" that country, stressing in so doing that Libya carries full responsibility for their well-being.

During his press conference, which was relayed directly by the television networks, Reagan accused Libyan leader Col Mu'ammarr al-Qadhdhafi of financially supporting terrorist groups, like the one that carried out the massacres at the airports in Rome and Vienna, of providing a sanctuary for them in his country and, therefore, of bearing responsibility for these crimes against innocent people. Reagan stressed that Washington has "reliable proofs" about that, but he did not list them.

Reagan also said tonight that he had left the door open to "military actions" against Al-Qadhdhafi if he does not stop helping the terrorists. In this respect he even tried to find a reason for taking this step.

"By providing material assistance to the terrorists who attack U.S. citizens, from the point of view of international law, Libya has joined the aggression against the United States of America as if she were using her armed forces for that," said Reagan.

Nevertheless, for the time being, Washington decided on an economic boycott of Al-Qadhdhafi, although no confidence is placed here in the efficiency of these measures. In fact, the United States of America introduced such sanctions against Libya 4 years ago and little is left that could still be done in this direction. U.S. imports from Libya fell from \$5 billion in 1981 to \$9 million dollars in 1984. What Reagan's administration is now insisting on, however, is that others join the boycott. Great hopes are not placed on this here.

Having stressed that "Al-Qadhdhafi deserves to be rejected by everyone" and that "the murder of innocent people cannot be tolerated for material interests and egotism," Reagan warned his allies "that Americans will not be able to understand the countries that may possibly try to derive advantage in Libya from U.S. departure." This should be a warning to U.S. allies in Western Europe which, at least for the time being, have not displayed any enthusiasm for U.S. demands to boycott Libya.

LATE REPORT: SAWPY PRESIDUM CONDEMNS TERRORISM

AU081426 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 8 Jan 86

[Text] Expressing the mood of the working people and citizens of Yugoslavia, the SAWPY Federal Conference Presidium stresses great concern because of the development of the situation in the Middle East and the Mediterranean. It is particularly worrying that new confrontations are appearing along with the old ones; especially on the Middle East, which is one of the most explosive hotbeds of crises today.

The Presidium considers the latest events, followed by political and economic pressure, as well as direct threats, use of force, and armed intervention against Libya, to be a direct danger to peace and security, not only in that region, but also in the world.

On this occasion as well, the SAWPY Federal Conference Presidium resolutely condemns all forms of terrorism, including the recent terrorist acts at Rome and Vienna airports.